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Frankfort, in the Year of Our Lord 1970 and
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Year of the Commonwealth

Begun on the Sixth Day of January, 1970, and Adjourned
Sine Die on the Twentieth Day of March, 1970

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MONDAY, MARCH 9, 1970

FIFTIETH LEGISLATIVE DAY

The House was called to order by Speaker Carroll.

Prayer by Dr. James A. Shepherd, First United Methodist Church, Frankfort.

The roll was called. All present except Representative McGill.

Representative Isler moved that absent members be granted leave of absence. Agreed.

Representative McNamara moved that the reading of the Journal of March 6, 1970, be dispensed with and the same approved. Agreed.

Introduction of Bills and Resolutions

HB 718, by Representative Van Horn: AN ACT relating to public utilities.

HB 719, by Representative Ray: AN ACT relating to teachers' retirement.

HR 92, by Representatives Collins, Durham and Freeman: A RESOLUTION requesting the Public Service Commission to investigate the charging, by telephone companies, of long-distance toll rates upon intra-county calls.

HR 93, by Representative McBride: A RESOLUTION requesting the Kentucky Department of Highways to install a flashing beacon light on Highway 60 at Mattoon, Kentucky.

HR 94, by Representative Paxton, A RESOLUTION in memory of Thomas L. Kirkpatrick.

HR 95, by Representatives Schmidt, Murphy and Donnermeyer: A RESOLUTION to adjourn the House of Representatives on Monday, March 9, 1970, in memory of Carl A. Bamberger.

HB 720, by Representative Paxton: AN ACT relating to the use of State Police Officers by the Attorney General.

HB 721, by Representatives J. Davis and Massey: AN ACT relating to the sale of gasoline.

HB 722, by Representative Roberts: AN ACT providing for the orderly review of the provision of the Constitution of the Commonwealth.

HB 723, by Representative Roberts: AN ACT relating to political parties.

HB 724, by Representatives Wheeler and Miller: AN ACT relating to the operation of gasoline and motor fuel dispensing equipment.

HB 725, by Representative Clarke: AN ACT relating to violations of weight limitations by commercial vehicles.

HB 726, by Representatives May, Deskins and Durham: AN ACT relating to the statute of limitations for radiation diseases under workmen's compensation.

HB 727, by Representative Lewis: AN ACT relating to service of process on nonresidents.

Report of Committees

The Committee on Cities reported **HB 425,** with Committee Amendment attached thereto, with the expression of opinion that the same should pass. Ordered placed in Orders of the Day.

The Committee Amendment to **HB 425** is as follows:

Amend printed copy of House Bill 425 on page 2, by: deleting all words on lines 18 through 23 and by inserting in lieu thereof the following words:

"(4) For the purpose of deciding disciplinary cases only within the confines of this section, any charged employe may select a fifth member from his own classification to serve on the Civil Service Board for his case only."

and on Page 4, line 24, by changing the comma "," to a period "."

and on lines 24 and 25 by deleting the words *"and he shall be solely responsible to the Board"*

and on Page 5 by deleting all words on line 1

and on Page 5, line 2, by deleting the word *"field"*

and on Page 8, line 3, by adding after the phrase *"impartial manner."* the sentence *"The life of any promotional examination shall be for the period of one year only."*

and on Page 13, line 14, by deleting the following *"parties shall be entitled to a trial by jury."*

The Committee on Cities reported **HB 576, HB 642** and **SB 303** with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 576, AN ACT relating to police judges in cities of the second class.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Section 26.150 of the Kentucky Revised Statutes is amended to read as follows:

In cities of the second class the police court shall have one judge. He shall receive *an annual* [a] salary *of not more than $12,600 to be* fixed by ordinance, and no other compensation except the fees allowed to judges for holding examining trials in felony cases. He shall have each year a vacation of one month. No person shall be eligible to be police judge unless at the time of his election he is at least twenty-five years of age and has been a resident of the city for at least four years.

HB 642, AN ACT relating to cities.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Section 89.390 of the Kentucky Revised Statutes is amended to read as follows:

Any city of the *first,* second, third or fourth class may become organized and be governed under the city manager form of government by proceeding as provided in KRS 89.400 to 89.680. *Any such city shall be subject to the provisions of these*

sections applicable to the class to which it belongs. Organizing under the city manager form of government shall not change the corporate entity of the city, but the body politic and corporate shall remain the same that it now is.

Section 2. Section 89.400 of the Kentucky Revised Statutes is amended to read as follows:

All laws applicable to and governing cities of the *first,* second, third or fourth class and not inconsistent with the provisions of this chapter relating to the city manager form of government shall continue to apply to and govern each city that organizes under the city manager form of government, *unless otherwise provided by law.* All bylaws, ordinances and resolutions in force in any such city and not inconsistent with the provisions of this chapter relating to the city manager form of government shall continue to be in force until altered or repealed in the manner provided for in this chapter.

Section 3. Section 89.410 of the Kentucky Revised Statutes is amended to read as follows:

(1) The sense of the voters of the city shall be taken on the question of organizing and being governed under the city manager form of government, *except as provided in subsection (6) of this section,* upon application to the county judge of the county in which the city is situated by written petition signed by a number of legal voters of the city equal to twenty percent of the votes cast in the city at the last preceding election for mayor. The county judge shall receive the petition, and at the next regular term thereafter make an order on his order book directing an election to be held in the city at the next regular election that is held not earlier than sixty days after the application is lodged with the judge. The order shall direct the sheriff or other officer of the county who may be appointed to hold the election to open the polls at each voting place in the city for the purpose of taking the sense of the qualified voters of the city on the question as to whether or not they are in favor of the organization and government of the city under the city manager form of government.

(2) The question to be submitted to the voters shall be: "Are you in favor of the organization and government of the

city of _____ under the city manager form of government"?

(3) The county clerk shall give to the sheriff of the county, or to such officer as may be appointed to hold the election, a certified copy of the order of the county court as it appears on the order book, within five days after the order is made. The sheriff or other officer shall have the order published pursuant to KRS Ch. 424, and shall also advertise the order by handbills, posted in at least three places in the city for the same length of time that publication is required.

(4) The canvassing board shall certify the result of the election to the clerk of the county court and to the clerk or recorder of the city. At the next regular term of court the county judge shall cause the certificate to be spread on the order book of the court. The entry of the certificate in the order book, or a copy thereof, shall be prima facie evidence of the facts therein contained.

(5) If a majority of the votes cast is in favor of organizing and governing the city under the city manager form of government, the certificate of the canvassing board delivered to the city clerk or recorder shall be spread upon the records of the city at the next regular meeting of the city legislative body, and thereafter the city shall be organized and governed under the provisions of KRS 89.420 to 89.680.

(6) A city of the first class may be organized and governed under the city manager form of government on the approval of the mayor and a majority of the members of the board of aldermen. When a city has been reclassified from a second to a first class city and has been organized and governed under the city manager form of government, prior to reclassification, it may continue to be so organized and governed on the approval of a majority of the members of the board of commissioners.

Section 4. Section 89.420 of the Kentucky Revised Statutes is amended to read as follows:

(1) If the vote at the election *or the vote of the mayor and the board of aldermen in a city of the first class* held under KRS 89.410 is in favor of the organization and government of the city under the city manager form of government, all the present nonelective city offices shall *,at the expiration of the term of*

the mayor and police judge in a city of the first class, at the expiration of the term of the mayor or police judge, whichever occurs first, in a city of the second or fourth class, and at the expiration of the term of the mayor, in a city of the third class, be ipso facto abolished. All the elective city offices, except those of mayor, police judge and member of the city legislative body, in a city of the *first,* second or fourth class, and mayor, police judge, city prosecuting attorney and member of the city legislative body, in a city of the third class, shall be ipso facto abolished at the expiration of the terms of the present incumbents. The office of member of the city legislative body, in cities of the *first,* second, third and fourth classes, shall be ipso facto abolished at the end of the year in which the first election for commissioners is held.

(2) When any city operating under the city manager form of government is reclassified from a second class city to a first class city and its board of commissioners under the provisions of KRS 89.410 votes to retain the city manager form of government, none of the existing elective offices shall be abolished, and all elective officers shall continue to serve until the expiration of their respective terms of office.

Section 5. Section 89.430 of the Kentucky Revised Statutes is amended to read as follows:

(1) In cities of the second and fourth classes, at the first regular election at which the mayor or police judge of the city is elected after the election at which the city manager form of government was adopted, there shall be elected by the qualified voters of the city four commissioners and a mayor, or police judge, as the case may be.

(2) In cities of the third class, at the first regular election at which the mayor of the city is elected after the election at which the city manager form of government was adopted, there shall be elected by the qualified voters of the city four commissioners and a mayor. The police judge shall be elected at the same time as he would have been elected if the city manager form of government had not been adopted.

(3) In any city which has been reclassified from a second to a first class city and which has been governed under the city

manager form of government prior to reclassification and has voted by its governing authority, pursuant to the provisions of KRS 89.410, to retain the city manager form of government, at the first regular election at which the mayor or police judge and commissioners are elected after the board of commissioners has voted to retain the city manager form of government, there shall be elected by the qualified voters of the city four commissioners and a mayor, or police judge, as the case may be.

(4) In a city of the first class, at the first regular election at which the mayor and police judge of the city are elected after the board of aldermen and mayor have voted for the city to be organized and governed under the city manager form of government, pursuant to the provisions of KRS 89.410, there shall be elected by the qualified voters of the city four commissioners and a mayor and police judge.

(5) [3] In cities of the *first,* second, third and fourth classes the commissioners shall serve for terms of two years and the mayor for a term of four years, beginning on the first Monday in January following their election. The police judge shall serve for a term of four years, beginning on the first Monday in January following his election in cities of the *first,* second and fourth classes, and on the first Monday in December following his election in cities of the third class. Every second year after the election at which commissioners were elected, and every fourth year after the election at which a mayor or police judge was elected, *or a mayor and police judge was elected in a city of the first class,* a primary election and regular election shall be held in the same manner for the same offices.

(6) [4] The city manager form of government shall become effective and go into operation upon the qualification and installation in office of the mayor, or police judge, *or both,* as the case may be, and the commissioners.

Section 6. Subsection (2) of section 89.440 of the Kentucky Revised Statutes is amended to read as follows:

(2) Each applicant for nomination shall, at least forty-five days before the day of the primary election, file with the county clerk a petition signed by at least one hundred voters, in a city

of the *first or* second class, or by at least fifty voters in a city of the third or fourth class, in the following form:

"We the undersigned, qualified voters of the city of _____, and residing each at the place indicated opposite his name, do hereby request that the name of _____ be placed on the ballot as that of an applicant for nomination for the office of _____, at the primary election to be held in our city on the seventh Saturday before the next regular election. We know the applicant to be a qualified voter of the city and a person of good character, and he is, in our judgment, qualified for the duties of the office.

Name	Number	Street
_____	_____	_____
_____	_____	_____
_____	_____	_____"

The petition shall be verified by the affidavit of some person as to the genuineness of the signatures and addresses of the signers. No voters shall sign more than one petition with reference to each office that is to be filled. If any voter signs more than one petition of applicants for nomination for mayor or police judge, or signs the petitions of more applicants for nomination for commissioners than the number of commissioners to be elected, the name of that petitioner shall not be counted as a valid name on any petition.

Section 7. Section 89.450 of the Kentucky Revised Statutes is amended to read as follows:

At the regular election following the primary election, the names of the nominees shall be placed upon ballots like those used at the primary election, except that the regular election ballots shall contain only the names of the successful nominees. The nominee receiving the greater number of votes cast for mayor, the nominee receiving the greater number of votes cast for police judge, and the four nominees, in a city of the *first,* second, third or fourth class, receiving the greater number of votes for commissioners shall be elected, respectively, mayor, police judge and commissioners.

Section 8. Section 89.480 of the Kentucky Revised Statutes is amended to read as follows:

(1) In a city of the first class which has voted by its board of aldermen and mayor to be organized and governed under the city manager form of government, pursuant to the provisions of KRS 89.410 the mayor and the commissioners shall receive an annual salary to be fixed by the board of aldermen at the time of its decision to be organized and governed under the city manager form of government.

(2) In a city of the second class which has been reclassified as a city of the first class and which has been governed under the city manager form of government prior to reclassification and has voted by its governing authority, pursuant to the provisions of KRS 89.410 to retain the city manager form of government, the mayor shall receive an annual salary of $12,000 and each commissioner shall receive an annual salary of $9,000.

(3) [1] In cities of the second class the mayor shall receive an annual salary of not more than $7,200, and each commissioner shall receive an annual salary of not more than $6,000, to be fixed by the city legislative body.

(4) [2] In cities of the third and fourth classes the mayor shall receive an annual salary of not more than $750, and each commissioner shall receive an annual salary of not more than $500.

(5) [3] In cities of the third and fourth classes the board of commissioners may reduce the annual salary of the mayor or the commissioners to an amount not less than one dollar.

Section 9. Section 89.490 of the Kentucky Revised Statutes is amended to read as follows:

The mayor and each commissioner shall execute a bond upon which an action may be maintained by any person interested in the keeping of the covenants therein contained. The bonds shall be approved by the county judge and filed as matters of public record. In cities of the third class the bonds shall be in the penal sum of ten thousand dollars, and shall run to the city. In cities of the *first,* second and fourth classes the bonds shall be in a penal sum fixed by the county judge, and shall run to the Common-

wealth. The board of commissioners shall require bonds with adequate surety, in such amounts as it may deem advisable, from any city employe whose duties, in the opinion of the board, require a bond for faithful performance. Premiums on bonds may, in the discretion of the board of commissioners, be paid by the city.

Section 10. Subsection (6) of Section 89.520 of the Kentucky Revised Statutes is amended to read as follows:

(6) A vacancy shall exist when any elective officer fails to qualify, dies, resigns, moves his domicile outside the city, remains outside the city for a period of six months, is convicted of a felony, is judicially declared insane, or is removed from office in any manner. In cities of the *first,* second and third classes elective officers must qualify within ten days after receiving notice of their election. In cities of the fourth class elective officers must qualify on or before the first Monday in January following their election.

Section 11. Section 89.545 of the Kentucky Revised Statutes is amended to read as follows:

(1) Ordinances adopted by the board of commissioners of any city of the *first or* second class organized and governed under the city manager form of government shall be published in full pursuant to KRS Ch. 424 when they relate to the raising of revenue, the expenditure of public funds, or are police measures imposing penalties for violations. An ordinance adopting or enacting a standard United States Government Code or a Commonwealth of Kentucky department code, need not set such code forth at length, but may merely identify it by a suitable reference. Other ordinances need not be published in full, but the city clerk shall, within ten days after the adoption of an ordinance, cause to be published pursuant to KRS Ch. 424 an abstract thereof and shall incorporate therein sufficient information to constitute a description of the subject matter to which such ordinance relates.

(2) The provisions of subsection (6) KRS 84.100 shall not apply in cities of the second class organized and governed under the city manager form of government.

Section 12. Section 89.560 of the Kentucky Revised Statutes is amended to read as follows:

(1) The board of commissioners shall select and employ a city manager. He shall be selected solely on the basis of his executive and administrative qualifications. The choice shall not be limited to inhabitants of the city or state. He shall be employed for an indefinite period, in cities of the *first,* second and fourth classes, or for a period not exceeding four years in cities of the third class. He shall receive notwithstanding the provisions of KRS 64.480 to 64.760, as an employe such compensation as may be determined by the board of commisisoners. During the absence or disability of the city manager, the board of commissioners shall designate some properly qualified person to perform the duties of the city manager.

(2) In cities of the *first and* second class the city manager shall be removable at will without cause by a majority of the board of commissioners.

(3) In cities of the third and fourth classes the city manager shall be removable at will by the board of commissioners, but removal shall not be effected by a reduction in his compensation. If removed at any time after having served for six months he may in writing demand written charges and a public hearing before the board of commissioners prior to the date on which his final removal shall take effect, but during the hearing the board of commissioners may suspend him from office. The public hearing shall be fixed by the board of commissioners not to exceed thirty days after demand therefor.

Section 13. Section 89.565 of the Kentucky Revised Statutes is amended to read as follows:

The board of commissioners of any city of the *first or* second class organized under the city manager form of government may by ordinance appoint a suitable person who shall, at any time when the city manager is absent from the city or becomes disabled, act as city manager, and the ordinance shall also fix the amount of his compensation or provide that he shall serve without compensation. The acting city manager while serving shall perform the same duties and shall be vested with all of the powers of the city manager. In the event of the death or resignation of

the city manager, the acting city manager shall serve until the position is filled. An acting city manager shall not acquire any right or privilege under rules of civil service governing employes of the city. The acting city manager shall serve at the pleasure of the board of commissioners, and may be removed at any time by a majority of the board members.

Section 14. Section 89.590 of the Kentucky Revised Statutes is amended to read as follows:

(1) Every ordinance or resolution ordering the construction or reconstruction of any street or sewer, or making or authorizing any contract involving the expenditure of more than one thousand dollars, in a city of the *first,* second or third class, or one thousand dollars in a city of the fourth class, or granting any franchise of the right to use or occupy the streets, highways, bridges or public places of the city for any except a merely temporary purpose shall, after its introduction and before its adoption, remain on file at least one week for public inspection in the completed form in which it shall be put upon its final passage. No such ordinance or resolution shall go into effect until the expiration of ten days after its passage, except when, in case of emergency, the public health or safety requires that it take immediate effect. The fact of emergency shall be declared by the unanimous vote of the board of commissioners.

(2) Before a city of the *first or* second class shall enter into any contract involving the expenditure of more than one thousand dollars, with the exception of a contract for professional services which shall not be let by competitive bidding, the board of commissioners shall by resolution specify the nature of the work to be contracted for, or the quality and quantity of the supplies or materials to be purchased, and authorize the city manager to advertise for and receive bids under seal for the execution of such work or the purchase of such supplies or material. The city manager shall advertise for bids by notice posted up at the city hall door and by publication pursuant to KRS Ch. 424. No bid shall be opened within ten days from the date on which the resolution is adopted, and no bid shall be received after the hour fixed for the opening of bids. All bids received by the city manager up to the time fixed by the resolution for the opening of bids shall be filed with the board of commissioners who shall let the

contract to the lowest responsible bidder. The city manager may, for and on behalf of the city, enter into any contract involving the expenditure of one thousand dollars or less, but in the event such contract involves the expenditure of more than one thousand dollars he shall advertise for bids in the manner provided in this subsection and let the contract to the lowest responsible bidder, except that such contracts for professional services shall not be let by competitive bidding. The board of commissioners or the city manager may reject all bids, in which event they may advertise for new bids in the manner provided in this subsection.

Section 15. Section 89.680 of the Kentucky Revised Statutes is amended to read as follows:

(1) Whenever the citizens of any city that has been organized and governed under the city manager form of government for a period of not less than four years desire that the organization and government of the city under the city manager form of government shall terminate, they shall file with the county judge of the county in which the city is located written petitions signed by a number of the legal voters of the city equal to twenty-five percent of the votes cast in the city at the last preceding general election. The county judge shall receive the petitions, and at the next regular term thereafter make an order on his order book directing an election to be held in the city at the next regular election that will be held not earlier than sixty days after the application is lodged with the judge, except that the election shall not be held at the same election at which commissioners are elected. The order shall direct the sheriff or other officer of the county who is appointed to hold the election to open the polls at each voting place in the city for the purpose of taking the sense of the qualified voters of the city upon the question as to whether or not they are in favor of the abandonment of the city manager form of government. The question to be submitted to the voters of a city of the *first,* second or fourth class shall be: "Shall the city of _____ abandon the city manager form of government"? The same question shall be submitted to the voters of a city of the third class, unless the petition filed with the county judge prays that the city manager form of government be abandoned and the commission form of government adopted, in which case the question shall be: "Shall the city of _____ abandon

the city manager form of government and be organized and governed under the commission form of government"?

(2) The county clerk shall give to the sheriff or other officer appointed to hold the election a certified copy of the order of the county court as it appears on the order book, within five days after the order is made. The sheriff or other officer shall have the order published pursuant to KRS Ch. 424, and shall advertise the order by handbills posted in conspicuous places in the city for the same length of time that publication is required. The sheriff or other officer shall have the advertisements published and notices posted within seven days after he receives the orders of the county court.

(3) The canvassing board shall certify the result of the election to the clerk of the county court and to the clerk of the city, and at the next regular term of court the county judge shall cause the certificate to be spread upon the order book of the court. The entry of the certificate on the order book, or copy thereof, shall be prima facie evidence of the facts therein contained.

(4) If a majority of the votes cast is in favor of the proposition submitted, and the certificate of the canvassing board has been spread upon the order book of the county court, the certificate delivered to the city clerk shall be spread upon the records of the city at the next regular meeting of the board of commissioners, and the city shall, upon the expiration of the terms of the commissioners then in office, cease to be governed by the city manager form of government, and shall thereafter be governed by the general laws applicable to that class of city, unless the vote, in the case of a city of the third class, was in favor of adopting the commission form of government, in which case the city shall thereafter be governed by the laws relating to commission form of government in cities of the third class.

(5) Any city of the first class, in which the city manager form of government is terminated as provided in this section, may again elect to be organized and governed under the city manager form of government upon a majority vote of its board of aldermen and the consent of its mayor. If a city of the first class does elect, after the city manager form of government has been terminated, to again be governed under the city manager

form of government, the same provisions of the Kentucky Revised Statutes which were applicable when the city was operating under the city manager form of government originally, shall again be applicable to the city.

Section 16. A new section of KRS 89.390 to 89.990 is created to read as follows:

The following provisions of the Kentucky Revised Statutes applicable to first class cities shall not apply to any city of the second class which has been reclassified as a city of the first class and which has been governed under the city manager form of government prior to reclassification and has voted, by its governing authority pursuant to the provisions of KRS 89.410, to retain the city manager form of government: All sections of KRS Chapters 83, 91, 93 and 98; those sections of KRS Chapters 26 and 97 applicable to first class cities; KRS 90.120 through 90.240 and KRS 95.020 through 95.425.

Section 17. A new section of KRS 89.390 to 89.990 is created to read as follows:

All sections of KRS Chapters 26, 92, 94, 95, and 97 applicable to second class cities, KRS 84.350 and 90.300 through 90.990 shall govern any city of the first class which has been reclassified from a second to a first class city and which has been governed under the city manager form of government prior to reclassification and has voted by its governing authority pursuant to the provisions of KRS 89.410, to retain the city manager form of government.

Section 18. A new section of KRS 89.390 to 89.990 is created to read as follows:

Any city which has been reclassified from a second to a first class city and which has been governed under the city manager form of government prior to reclassification and has voted, by its governing authority pursuant to the provisions of KRS 89.410 to retain the city manager form of government may elect to be governed under those sections of KRS Chapters 96 which apply to cities of the first class or those sections of KRS Chapter 96 which apply to cities of the second class.

SB 303, AN ACT relating to the repair, closing or demolition of structures by cities.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Section 80.620 of the Kentucky Revised Statutes is amended to read as follows:

(1) As used in KRS 80.620 to 80.720 unless the context requires otherwise:

(a) "*Structure*" [dwelling] means any building, [or structure] or part thereof, used *or* [and] occupied, *or intended for use or occupancy,* for human habitation, *or commercial or industrial purposes,* and includes any *out-buildings* [outhouses] and appurtenances belonging thereto or usually enjoyed therewith.

(b) "Governing body" means the general council, board, or commissioners, or other legislative body, charged with governing a city.

(c) "Public Officer" means the officer or officers who are authorized by ordinances adopted hereunder to exercise the powers prescribed by such ordinances and by KRS 80.620 to 80.720.

(d) "Public authority" means any Housing Commission or any officer who is in charge of any department or branch of government of the city, county, or state relating to health, fire, building regulations, or to other activities concerning *structures* [dwellings] in the city.

(e) "Owner" means the holder of the title in fee simple and every mortgagee of record.

(f) "Parties in interest" means all individuals, associations and corporations who have interests of record in a *structure* [dwelling] and any who are in possession thereof.

(2) The powers conferred upon cities by KRS 80.620 to 80. 720 shall be in addition and supplemental to the powers conferred by any other law.

Section 2. Section 80.630 of the Kentucky Revised Statutes is amended to read as follows:

Whenever any city finds that there exists in said city *structures* [dwellings] which are unfit for human habitation, *oc-*

cupancy or use due to dilapidation, defects increasing the hazards of fire, accidents or other calamities, lack of ventilation, light or sanitary facilities, or due to other conditions rendering such *structures* [dwellings] unsafe or insanitary, or dangerous or detrimental to the health, safety or morals, or otherwise inimical to the welfare of the residents of the city, the city may exercise its police powers to repair, close or demolish such *structures* [dwellings] in the manner provided in KRS 80.620 to 80.720.

Section 3. Section 80.640 of the Kentucky Revised Statutes is amended to read as follows:

Upon the adoption of an ordinance finding that *structural* [dwelling] conditions of the character described in KRS 80.630 exist within a city, the governing body of the city may adopt ordinances relating to the *structures* [dwellings] within the city which are unfit for human habitation, *occupancy or use.* Such ordinances shall provide that a public officer be designated or appointed to exercise the powers prescribed by the ordinances, and shall include the provisions of KRS 80.650 to 80.680.

Section 4. Section 80.650 of the Kentucky Revised Statutes is amended to read as follows:

Whenever a petition is filed with the public officer by a public authority or by at least five residents of the city charging that any *structure* [dwelling] is unfit for human habitation, *occupancy or use,* or whenever it appears to the public officer (on his own motion) that any *structure* [dwelling] is unfit for human habitation, *occupancy or use,* the public officer shall, if his preliminary investigation discloses a basis for such charges, issue and cause to be served upon the owner of and the parties in interest in such *structure* [dwelling] a complaint stating the charges in that respect. The complaint shall state: That a hearing will be held before the public officer (or his designated agent) at a place therein fixed not less than 10 days nor more than thirty days after the serving of the complaint; that the owner and parties in interest may file an answer to the complaint and [to] appear in person, or otherwise, and give testimony at the place and time fixed in the complaint; and that the rules of evidence prevailing in courts of law or equity shall not be controlling in hearings before the public officer.

Section 5. Section 80.660 of the Kentucky Revised Statutes is amended to read as follows:

If, after the notice and hearing, the public officer determines that the *structure* [dwelling] under consideration is unfit for human habitation, *occupancy or use,* he shall state in writing his findings of fact in support of such determination and shall issue and cause to be served upon the owner thereof an order requiring the owner:

(1) To the intent and within the time specified in the order, to repair, alter or improve the said *structure* [dwelling] to render it fit for human habitation, *occupancy or use,* or, at the option of the owner, to vacate and close the *structure* [dwelling as a human habitation] if the repair, alteration, or improvement of the *structure* [dwelling] can be made at a cost that is not more than 50% of the value of the *structure* [dwelling]; or

(2) Within the time specified in the order, to remove or demolish the said *structure* [dwelling] if the repair, alteration, or improvement of the *structure* [dwelling] cannot be made at a cost that is not more than 50% of the value of the *structure* [dwelling].

Section 6. Section 80.670 of the Kentucky Revised Statutes is amended to read as follows:

(1) If the owner fails to comply with an order to repair, alter or improve or, at the option of the owner, to vacate and close the *structure* [dwelling], the public officer may cause the *structure* [dwelling] to be repaired, altered or improved, or to be vacated and closed. The public officer may cause to be posted on the main entrance of any *structure* [dwelling] so closed, a placard with the following words: "This building is unfit for human habitation, *occupancy or use;* the use or occupation of this building for human habitation, *occupancy or use,* is prohibited and unlawful."

(2) If the owner fails to comply with an order to remove or demolish the *structure* [dwelling], the public officer may cause such *structure* [dwelling] to be removed or demolished.

(3) The amount of the cost of repairs, alterations or improvements, or vacating and closing, or removal or demolition

shall be a lien upon the real property upon which cost was incurred. If the *structure* [dwelling] is removed or demolished by the public officer, he shall sell the materials of the *structure* [dwelling] and shall credit the proceeds of such sale against the cost of the removal or demolition and any balance remaining shall be deposited in the circuit court by the public officer, shall be secured in such manner as may be directed by such court, and shall be disbursed by such court to the persons found to be entitled thereto by final order or decree of such court.

Section 7. Section 80.680 of the Kentucky Revised Statutes is amended to read as follows:

The public officer may determine that a *structure* [dwelling] is unfit for human habitation, *occupancy or use* if he finds that conditions exist in such *structure* [dwelling] which are dangerous or injurious to the health, safety or morals of the occupants of such *structure* [dwelling], the occupants of neighboring *structures* [dwellings] or other residents of the city. Such conditions may include the following (without limiting the generality of the foregoing): defects increasing the hazards of fire, accident, or other calamities; lack of adequate ventilation, light, or sanitary facilities; dilapidation; disrepair; structural defects; uncleanliness. Additional standards to guide the public officer, or his agents, in determining the fitness of a *structure* [dwelling] for human habitation, *occupancy or use,* may be provided by ordinance.

Section 8. Section 80.690 of the Kentucky Revised Statutes is amended to read as follows:

Complaints or orders issued by a public officer pursuant to an ordinance adopted under KRS 80.620 to 80.720 shall be served upon persons either personally or by *certified* [registered] mail, but if the whereabouts of such person is unknown and the same cannot be ascertained by the public officer in the exercise of reasonable diligence, and the public officer shall make an affidavit to that effect, then the serving of such complaint or order upon such persons may be made by publication pursuant to KRS Ch. 424. A copy of such complaint or order shall be posted in a conspicuous place on premises affected by the complaint or order, and shall be recorded in the office of the

county clerk of the county wherein the *structure* [dwelling] is located.

Section 9. Section 80.700 of the Kentucky Revised Statutes is amended to read as follows:

Any person affected by an order issued by the public officer may, within *thirty* [sixty] days after the posting and service of the order, petition the circuit court for an injunction restraining the public officer from carrying out the provisions of the order, and the court may issue a temporary injunction restraining the public officer pending the final disposition of the cause. Hearings shall be had by the court on such petition within twenty days, or as soon thereafter as possible. In all such proceedings the findings of the public officer as to the facts, if supported by evidence, shall be conclusive. Costs shall be in the discretion of the court. The remedies herein provided shall be exclusive remedies and no person affected by an order of the public officer shall be entitled to recover any damages for action taken pursuant to any order of the public officer, or because of non-compliance by such person with any order of the public officer.

Section 10. Section 80.710 of the Kentucky Revised Statutes is amended to read as follows:

The governing body of the city may by ordinance authorize the public officer to exercise such powers as are necessary or convenient to carry out and effectuate the purposes and provisions of KRS 80.620 to 80.720, including the following powers in addition to others herein granted:

(1) To investigate the *structural* [dwelling] conditions in the city in order to determine which *structures* [dwellings] therein are unfit for human habitation, *occupancy or use.*

(2) To administer oaths, affirmations, examine witnesses and receive evidence;

(3) To enter upon premises for the purpose of making examinations, but such entries shall be made in such manner as to cause the least possible inconvenience to the persons in possession;

(4) To appoint and fix the duties of such officers, agents

and employees as he deems necessary to carry out the purposes of the ordinances; and

(5) To delegate any of his functions and powers under the ordinances to such officers and agents as he designates.

Section 11. Section 80.720 of the Kentucky Revised Statutes is amended to read as follows:

The governing body of any city adopting an ordinance under KRS 80.620 to 80.720, shall as soon as possible thereafter prepare an estimate of the annual expenses or costs to provide the equipment, personnel and supplies necessary for periodic examinations and investigations of the *structure* [dwellings] in such city for the purpose of determining the fitness of the *structures* [dwellings] for human habitation, *occupancy or use,* and for the enforcement and administration of the ordinances adopted under this Act: and any such city may make such appropriations from its revenues as it may deem necessary for this purpose and may accept and apply grants or donations to assist in carrying out the provisions of such ordinances.

Section 12. A new section of KRS 80.620 to 80.720 is created to read as follows:

When the public officer has condemned as unfit for human habitation, occupancy or use, any structure, pursuant to the provisions of KRS 80.620 through 80.720, and has ordered same to be vacated, the public officer may, after ten days notice to the occupant or occupants thereof, apply to the Justice of the Peace for the District in which such structure is located, and obtain from such Court an order of eviction against the occupant or occupants thereof, and the Constable for the said District shall forthwith evict such occupant or occupants and his belongings from the said building.

The Committee on Appropriations and Revenue reported **HB 104, HB 583** with Committee Substitute attached thereto, **HB 515, HB 646, HB 676, HR 35** and **HB 72** with Committee Amendment attached thereto, with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 104, AN ACT relating to fees for registration and renewal of trade marks and service marks.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Section 365.605 of the Kentucky Revised Statutes is repealed.

HB 583, AN ACT relating to sales tax.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. A new section of Chapter 139 of the Kentucky Revised Statutes is created to read as follows:

(1) Privately owned bookstores in direct competition with state owned and operated college bookstores shall be subject to the taxes levied by this chapter on their receipts from retail sales to the same extent and in the same manner as state owned and operated college bookstores.

(2) "In direct competition with", as used in this section, means a privately owned and operated bookstore deriving more than fifty percent (50%) of its total receipts from retail sales of textbooks, workbooks, essential classroom aids and educational supplies to faculty and students of a state college or university that owns and operates a bookstore in actual competition with said private bookstore.

Section 2. This Act shall become effective July 1, 1970.

Committee Substitute, HB 583, AN ACT relating to sales tax.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. A new section of Chapter 139 of the Kentucky Revised Statutes is created to read as follows:

(1) State owned and operated college bookstores in direct competition with off-campus privately owned and operated college bookstores will be subject to the taxes levied by this chapter on their receipts from retail sales to the same extent and in the

same manner as off-campus privately owned and operated college bookstores.

(2) "Off-campus privately owned and operated college bookstores" as used in this section means any privately owned and operated bookstore deriving more than fifty percent (50%) of its total receipts from retail sales of textbooks, workbooks, essential classroom aids and educational supplies to faculty and students of a state college or university that owns and operates a bookstore in actual competition with said private bookstore.

Section 2. This Act shall become effective July 1, 1970.

HB 515, AN ACT relating to sheriffs.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Section 64.090 of the Kentucky Revised Statutes is amended to read as follows:

Sheriffs may charge and collect for the following services the following fees:

Executing and returning process	*$4.00* [$2.00]
Serving an order of court and return	2.00
Summoning each witness	1.00
Summoning an appraiser or reviewer	1.00
Each day's attendance in the county on a jury or attending a surveyor, when ordered by a court	2.00
Taking any bond that he is authorized or required to take in any action	2.00

Collecting money under execution or distress warrant, if the debt is paid or the property sold, or a delivery bond given and not complied with, six percent on the first three hundred dollars and three percent on the residue; when he levies an execution or distress warrant, and the defendent replevies the debt, or the writ is stayed by legal proceedings or by the order of the plaintiff, half of the above commission, to be charged to the plaintiff and collected as costs in the case.

Taking a recognizance of a witness	$1.00
Levying an attachment	*$4.00* [2.50]

When property attached is sold by an officer other than the officer levying the attachment, the court shall, in the judgment, make the officer an additional and reasonable allowance for levying the attachment, and the fee of the officer selling the property shall be lessened by that sum. Reasonable charges for removing and taking care of attached property shall be allowed by order of court.

Summoning a garnishee ..... *$4.00* [$2.00]

Summoning a jury in a misdemeanor case, attending the trial, and conducting the defendant to jail, to be paid by the party convicted 7.00

Serving process or arresting the party in misdemeanor cases, to be paid by the plaintiff 7.00

Serving an order or process of revivor ..... *4.00* [2.00]

Executing a writ of possession against each tenant or defendant 7.00

Executing a capias ad satisfaciendum, the same commission as collecting money on execution. If the debt is not paid, but stayed or secured, half commission. Summoning and attending a jury in a case of forcible entry and detainer, besides fees for summoning witnesses 6.00

Collecting militia fines and fee-bills, ten percent, to be deducted out of the fee-bill or fine.

Levying for a fee-bill ..... *4.00* [2.00]

Serving a notice ..... *4.00* [2.00]

Serving warrants or process of arrest in bastardy cases 6.00

Serving each order appointing surveyors of roads, to be paid out of the county levy 1.00

Serving each summons or order of court in applications concerning roads, to be paid out of the county levy if the road is established, and in all other cases to be paid by the applicant 1.00

Like services in cases of private passways to be paid by the applicant 1.00

Services rendered in cases in the quarterly courts, the same fees given to constables in all cases where the amount claimed in $50 or under.

Executing each writ of habeas corpus, to be paid by the petitioner ---------- 2.00

All services under a writ issued under KRS 381.460 to 381.570 ---------- 5.00

Attending by himself or deputy all terms of the county courts, and quarterly courts and the allowance per day, shall be allowed by the county judge and paid out of the county levy, not exceeding ------ 5.00

Attending by himself or by deputy and keeping order in the circuit court, to be paid out of the State Treasury, for each day ---------- 7.00

Performing the duties of jailer, the same fees and allowances that are prescribed for jailers.

For services in summoning Grand and Petit Jurors and performing his duties under KRS 29.165, 29.175 and 29.280 the sheriff shall be allowed, for each person so summoned, and paid out of the State Treasury the sum of ---------- 1.00

Section 2. Section 64.095 of the Kentucky Revised Statutes is amended to read as follows:

(1) Each sheriff, deputy sheriff or constable in each county executing a notice, subpoenas or summons shall be paid his expenses in the service of such papers through the payment of miles traveled by such sheriff, deputy sheriff or constable at the rate of *fifteen* [ten] cents per mile.

(2) The sheriff, deputy sheriff or constable shall be paid the mileage by the litigants in any criminal or civil action at the time of the delivery of such notice, subpoena or summons.

(3) If such litigant is financially unable to make such payments, he may take the oath in "Forma Pauperis."

(4) The provisions of this section shall not apply with relation to the delivery of a notice, subpoena or summons on behalf of the Commonwealth of Kentucky.

HB 646, AN ACT relating to issuance of general obligation bonds of the Commonwealth.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. A new section of the Kentucky Revised Statutes is created to read as follows:

Subject to the provisions of Section 50 of the Constitution of the Commonwealth as hereinafter provided, a direct indebtedness of the Commonwealth in the principal amount of forty-eight million three hundred thousand dollars ($48,300,000), in addition to any and all other bonds and indebtedness of the Commonwealth, shall be incurred by the Commonwealth through issuance of its general obligation bonds (sometimes hereinafter referred to as the 1970 Bonds) for the bond payment of which, when due, both principal and interest, the full faith, credit, resources, and unlimited taxing powers of the Commonwealth shall be irrevocably pledged; and the proceeds thereof are hereby appropriated to the Department of Finance as a General Construction Fund of 1970 clearing account for state agencies or public purposes including the acquisition of lands, the construction and reconstruction of buildings and structures, installation of service facilities, and the purchase and installation of equipment, facilities, and furnishings of a permanent nature for buildings and structures in the amounts and for the state agencies or public purposes as follows: School for the Deaf $2,100,000, School for the Blind $495,000, Department of Education for vocational schools $8,000,000, Department of Corrections $18,000,000, Department of Child Welfare $1,165,000, Department of Mental Health $18,000,000. None of the proceeds of the bonds authorized to be issued for allocation as set forth above shall be used for operating expenses. The State Property and Buildings Commission, by resolutions adopted from time to time, is authorized to vary the above schedule and reallocate the proceeds of the General Construction bonds as may be necessary or advisable in its discretion. In addition, $400,000 shall be and is hereby appropriated to the Farm Development Loan Guarantee Fund if such Fund has been created by Act of the General Assembly; otherwise to be allocated by the State Property and Buildings Commission for construction or reconstruction or other purpose previously authorized in this Act. As provided in Section 50 of the Constitution of the Commonwealth, no part of said indebtedness shall be incurred unless this

Act be approved by a majority vote upon submission shall be at the general election which is to be held on November 3, 1970.

Section 2. A new section of the Kentucky Revised Statutes is created to read as follows:

(1) The State Property and Buildings Commission may, in its discretion, at one time or from time to time issue and offer for sale upon the same occasion the bonds as authorized in Section 1 of this Act in such amounts or any part of the separately designated blocks of bonds as it may determine to be necessary.

(2) The proceeds of the 1970 Bonds shall be segregated from all moneys and funds and shall constitute the General Construction Bond Fund of 1970 clearing account; and expenditures shall be made on order of the Commissioner of Finance only for the purposes set forth in Section 1 of this Act and subject to financial and budgetary procedures as may be provided by law and upon order of the Commission for defraying the expenses incident to the issuance of bonds. Pending expenditure, such proceeds shall be deposited in one or more financial institutions, and each institution shall give security by making a valid pledge to the Commonwealth of United States Government securities approved by said Commission and having an aggregate market value at all times at least equal to the current balance of the deposit; provided, however, said Commission may, in its discretion, cause all or any part of the moneys in the said General Construction Bond Fund to be invested and from time to time reinvested in United States Government securities, and income received from such investments shall be retained in said fund and may be invested and reinvested in like manner. Securities held for the account of said fund shall be converted into cash, upon order of the said Commission, and disbursed and expended whenever required for the designated purposes of the fund.

Section 3. A new section of the Kentucky Revised Statutes is created to read as follows:

All of said 1970 bonds shall, as aforesaid, be direct general obligation bonds of the Commonwealth and shall be issued with an irrevocable pledge of the full faith, credit, resources, and unlimited taxing power of the Commonwealth, but in accordance with the mandatory requirement of Section 50 of the Constitu-

tion of the Commonwealth there shall be levied and collected, annually, taxes sufficient to pay the interest stipulated, and to discharge the debt within thirty years, as follows:

(1) In order to provide for the payment of the stipulated interest, and to discharge within thirty years the indebtedness to be evidenced by the General Construction Bonds, there shall be levied and collected annually, so long as any of such bonds are outstanding and unpaid, taxes of the Commonwealth upon all retail sales at rates not less than the rates now imposed by law or rates so adjusted as not in any event to jeopardize the prompt payment of principal of and interest on said bonds when due and payable. Proceeds of such taxes, to the extent necessary for payment of the principal of and interest on the General Construction Bonds of 1970, as and when such principal and interest, respectfully, shall become due and payable, are hereby appropriated for that purpose; and such amount thereof shall in each year be set aside in the State Treasury in the "General Construction Bond Sinking Fund of 1970", hereby created, and shall be held therein and disbursed and used upon order of the State Treasurer solely for the purpose of paying the principal of and interest on said identified bonds when and where due and payable, until all of said bonds, or such lesser amount thereof as may have been issued, within thirty years from date of first issue shall have been paid in full. In setting aside monies from the proceeds of such taxes into the General Construction Bond Sinking Fund of 1970, due regard shall be had for any and all vested rights in and to such proceeds existing in favor of the holders of general obligation bonds of the Commonwealth heretofore or hereafter issued and outstanding pursuant to Chapter 40 of the Kentucky Revised Statutes. In each year, after setting aside the herein prescribed amount into the General Construction Bond Sinking Fund of 1970, and after due recognition of the rights enumerated above, the remainder of the proceeds of said identified taxes shall be available for any proper general fund purposes of the Commonwealth without restriction. Moneys from time to time set aside and deposited in said General Construction Bond Sinking Fund of 1970, as hereinabove provided, may be invested upon orders of the State Property and Buildings Commission from time to time in United States Government securities which mature, or are subject to redemption at the option of the holder, at or before

the various times when said Commission determines cash funds will be required for payment of the maturing principal of and interest on said identified bonds; and income received from such securities shall be retained in the said General Construction Bond Sinking Fund of 1970 and may be taken into consideration in the next ensuing annual determination of the amount of such tax proceeds required to be set aside into the said fund as hereinabove provided.

Section 4. A new section of the Kentucky Revised Statutes is created to read as follows:

The form of the question which shall be caused to appear on the ballots at the occasion of the General Election to be held November 3, 1970, shall be as follows:

Are you in favor of the Act of the General Assembly known as House Bill, No. ------, enacted at the regular session of 1970 wherein it is proposed that the Commonwealth issue and sell it General Obligation Bonds in addition to all bonds heretofore authorized by the voters in the principal sum of forty-eight million three hundred thousand dollars ($48,300,000), the proceeds of which will be set aside for state agencies and public purposes for the acquisition of lands, the construction and reconstruction of buildings and structures, installation of service facilities, and the purchase and installation of equipment, facilities, and furnishings of a permanent nature for buildings and structures for the state agencies or for other public purposes as follows: School for the Deaf, School for the Blind, Department of Education for vocational schools, Department of Corrections, Department of Child Welfare, Department of Mental Health, Farm Development Loan Guarantee Fund?

Section 5. A new section of the Kentucky Revised Statutes is created to read as follows:

Provisions of this Act shall be submitted to the people of the Commonwealth at the General Election to be held on November 3, 1970. The fact of such submission shall be publicly advertised in the following ways:

(1) It shall be the duty of the Attorney General to pre-

pare and furnish to the Secretary of State, not later than September 15, 1970, a form of "Notice of Election", which shall be so designated, shall conform to any requirements otherwise provided by law for notices of elections, and further shall set forth the proper ballot question in full, and provisions of this Act in full, with provisions for the signature or a facsimile of the Secretary of State. The Secretary of State shall transmit a copy of such form of "Notice of Election" to each of five daily newspapers of bona fide general circulation, published in different areas of the Commonwealth and selected in the discretion of the Secretary of State, with directions that the same be published in each of such newspapers in the form of a legal notice, in one issue published in each of the calendar weeks commencing on Mondays, October 12, 19, 26, and November 2, 1970, but not in any Sunday issue. Each such newspaper shall publish the same as directed in the size type customarily used by it in publishing legal notices, and shall be entitled to payment according to its standard prevailing rate for publication of legal notices. After the last publication, each such newspaper shall provide to the Secretary of State, with or before its bill for publication, at least three copies of affidavit sufficient to constitute proper proof of publication, and if the Secretary of State finds the same to be in order he shall be authorized to draw a warrant upon the State Treasurer for payment from uncommitted moneys in the general fund of the Commonwealth.

(2) The Secretary of State shall deliver a copy of said form of "Notice of Election" to the state printer, and thereupon the state printer shall promptly prepare and furnish to the Secretary of State at least 125 copies of such notice in the form of handbills of sufficient size and type composition as to be ordinarily legible. The Secretary of State shall furnish a copy of the notice in such handbill form to the clerk of the county court of each county of the Commonwealth, and it shall be the duty of each county clerk, upon receiving the same, to post the same at or near the county courthouse door, or otherwise as notices of judicial sales and other court proceedings are customarily posted.

(3) Each county clerk shall cause a facsimile of the ballot question to be published as may be required by law.

(4) If the Secretary of State shall perform in proper and timely fashion each of the duties provided in this section to be performed by him, any failure of others to perform duties and functions as herein provided shall not invalidate the election as to approval or disapproval of this Act, if upon consideration of the Commonwealth as a whole, it shall appear that the qualified voters were fairly apprised of the election.

Section 6. A new section of the Kentucky Revised Statutes is created to read as follows:

Said election shall be conducted in conjunction with the general election otherwise provided by law to be held on the same day, by the same election officers and at the same polling places. The votes cast in favor of and against this Act shall be canvassed and certified to the State Board of Election Commissioners as in the case of votes cast in the election of officers of the state at large. If it be found that a majority of the votes cast on the question were in favor of this Act the State Board of Election Commissioners shall so certify to the Governor and the Governor shall proclaim that this Act has been approved and is in effect.

Section 7. A new section of the Kentucky Revised Statutes is created to read as follows:

If this Act be approved by a majority of the votes cast thereon at said election, the initial date of issue of the 1970 bonds shall be established by resolution of the State Property and Buildings Commission prior to the first issuance and sale of any of said bonds; and thereafter all of the 1970 bonds, whenever issued, shall be dated as of said date, and shall mature as to principal on or prior to the thirtieth anniversary thereof. The bonds shall be sold for not less than par or face amount and shall bear interest at such rate or rates as said Commission may determine, and interest may be made payable semi-annually. The bonds may be issued at one time or from time to time as the State Property and Buildings Commission may determine by its resolution or resolutions. Said Commission shall in its discretion determine all details thereof, including, but not by way of limitation, their denominations; whether the bonds shall be of term or serial maturities, and the amount which shall mature on any serial maturity date; whether the bonds, or any of them,

shall be subject to redemption prior to stated maturities and upon what terms; place or places of payment of principal and interest, which may be within the Commonwealth or outside thereof; whether interest shall be evidenced by annexed coupons; whether the bonds shall be registered or registerable as to principal or interest, or both, and pertinent provisions regarding subsequent conversion as well as any other details not contrary to law or inconsistent with this Act which in the discretion of said Commission may appear wise and expedient.

Section 8. A new section of the Kentucky Revised Statutes is created to read as follows:

The bonds shall be sold by said Commission, in its discretion, at one sale or from time to time as funds are required for the identified purposes. Each sale shall be upon sealed purchase bids which shall be publicly opened and considered after solicitation at least ten days in advance by publication of a notice at least one time in a financial newspaper or journal published in the City and State of New York, and at least one time in a daily newspaper published in the Commonwealth. The Commission may fix one or more interest rates by resolutions adopted prior to publication of the solicitation notice, or may notify bidders to stipulate in their bids one or more interest rates of their own choosing and fix the rate or rates by resolution when action is taken upon the bids. The Commission shall reserve the right to reject bids.

Section 9. A new section of the Kentucky Revised Statutes is created to read as follows:

The bonds and receipt of interest thereon shall be exempt from all taxation by the Commonwealth and its political subdivisions, municipalities, and taxing districts. The bonds shall be signed in the name of the Commonwealth by the facsimile signatures of the Governor and Treasurer of the Commonwealth, and the Great Seal of the Commonwealth or a facsimile thereof shall be affixed thereto and attested by the validating signature of the Secretary of State, and the interest coupons, if any, shall be executed by the facsimile signature of the Treasurer. In case any officer whose signature or facsimile thereof shall appear on any bonds or coupons shall cease to be such officer before delivery of the bonds, such signature or facsimile thereof shall,

nevertheless, be valid and sufficient for all purposes, the same as if he had remained in office until delivery. The signature or a facsimile of the signature of any officer holding office at the time of such signature or facsimile signature is caused to appear on any bonds or coupons shall be valid and sufficient whether or not such officer or officers held said respective offices at the date of the bonds. All bonds issued under the provisions of this Act shall have and are hereby declared to have all the incidents of negotiable instruments. Prior to the preparation of definitive bonds, the Commission may issue temporary bonds or certificates, exchangeable for definitive bonds when the same shall be executed and are ready for delivery; and provisions may also be made for the replacement of any bonds which shall become mutilated, or be destroyed or lost. Bonds may be issued under the provisions of this Act without obtaining the consent of any department, division, commission, board, bureau, or agency of the Commonwealth and without any other proceedings or the happening of any conditions, events or things other than the proceedings, conditions, events and things which are specifically required by this Act.

Section 10. A new section of the Kentucky Revised Statutes is created to read as follows:

As used in this Act "year" means the fiscal year of the Commonwealth, commencing on the first day of July, and ending on the next ensuing thirtieth day of June, unless the context clearly shows a different meaning.

HB 676, AN ACT authorizing clothing allowance payment to Kentucky State Police Detectives.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. A new section of the Kentucky Revised Statutes is hereby created to read as follows:

The Director of the Division of Kentucky State Police, with the approval of the Commissioner of the Department of Public Safety and the Commissioner of the Department of Finance, is authorized to grant a clothing allowance to detective officers of the division who are regularly assigned investigation duties which

require the officer to appear in civilian clothing. The allowance herein authorized shall not exceed three hundred dollars per annum for each eligible officer.

HR 35, A RESOLUTION directing the Legislative Research Commission to study the system of tax credits, refunds and rebates proposed by House Bill 43.

WHEREAS, House Bill 43 proposes a system of variable tax credits, rebates and refunds for Kentucky residents by gross income and exemptions; and

WHEREAS, the tax relief proposed thereby seeks to diminish the regressive effect of the state's existing tax structure by affording relief to taxpayers in lower income and higher exemption status; and

WHEREAS, the system proposed is unique in Kentucky, and the extent of benefits to qualifying taxpayers and cost of administration can only be summarily estimated without specific research;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

Section 1. That the Legislative Research Commission is directed to study the system of tax credits, refunds and rebates proposed by House Bill 43, and to report its findings of fact and conclusions to the General Assembly. The study shall include, but not be limited to the following objectives:

A. To ascertain the administrative procedures and costs incident to the implementation of the system.

B. To determine the adequacy of the Table of Tax Credits therein contained, the number of benefitted taxpayers, the effect upon the economic condition of the taxpayer, and the revenue implications for the state tax system.

C. To determine the interrelation of the system of tax credits, rebates and refunds with the existing tax revenue structure of the state.

D. To investigate the effectiveness of tax rebate and credit systems in other states.

Section 2. If House Joint Resolution 28 be adopted, it is directed that this study shall be undertaken in connection with the general revenue study proposed by that resolution and a report of Legislative Research Commission findings under this instant resolution shall be transmitted to the General Assembly by December 1, 1970.

Section 3. If House Joint Resolution 28 not be adopted, the study directed herein shall be conducted, and a report of the Legislative Research Commission's findings shall be transmitted to the General Assembly by December 1, 1970.

HB 72, AN ACT relating to motor vehicles and taxes thereon.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

The provisions of the hereinafter designated sections of the Kentucky Revised Statutes are hereby amended to read as follows:

Section 1. KRS 138.450 is hereby amended to read as follows:

(1) "Dealer" means any person engaged in the sale of motor vehicles at retail;

(2) "Motor vehicle" means any vehicle that is propelled by other than muscular power and that is used for transportation of persons or property over the public highways of the state, except road rollers, vehicles that travel exclusively on rails, and vehicles propelled by electric power obtained from overhead wires;

(3) "Retail price" for [new] motor vehicles shall be the [the manufacturer's suggested retail price of the vehicle with all equipment and accessories, standard and optional, and transportation charges;] *actual sales price charged the purchaser therefor which must include all optional equipment on the vehicle and transportation charges, if any, and said sales price shall be sworn to by the seller and the purchaser on the bill of sale.* [for used motor vehicles it shall be determined by the retail value given in the Automotive Reference Manual prescribed by the Department of Revenue.] In [the] case of used motor vehicles

previously registered in this state, which are *being* sold in this state, *as a trade in for part payment on the motor vehicle being purchased,* a trade in allowance equal to the value of the vehicle taken in trade [as sworn to by the seller], *which value shall* [not to exceed the fair market value of the vehicle taken in trade shall] be deducted in computing the retail price of the *more expensive* vehicle sold *and the value of the trade in shall be sworn to by the seller and the purchaser on the bill of sale.*

Section 2. KRS 138.460 is hereby amended to read as follows:

(1) On and after [April 1, 1968] *July 1, 1970,* a tax levied upon [ninety per cent of its] *the* retail price at the rate of five per cent shall be paid on the use in this state of every motor vehicle, except those exempted by KRS 138.470, at the time and in the manner provided in this section.

(2) The tax shall be collected by the county court clerk or other officer with whom the vehicle is required to be registered:

(a) when he collects the registration fee for registering and licensing a motor vehicle the first time it is offered for registration in this state,

(b) or upon the transfer of ownership of any motor vehicle previously registered in this state.

(3) The tax collected by the county clerk under this section shall be reported and remitted to the Department of Revenue in the same manner as registration fees on motor vehicles are required to be reported and remitted to the department by KRS 186.230(5). The county clerk shall for his services in collecting the tax be entitled to retain an amount equal to two percent of the tax collected and accounted for.

(4) No county clerk or other officer shall register or issue any license tags to the owner of any motor vehicle subject to this tax, when the vehicle is then being offered for registration for the first time, or transfer the ownership of any motor vehicle previously registered in this state, unless the owner or his agent pays the tax levied under this section in addition to the transfer, registration and license fees.

(5) When a resident of this state offers a motor vehicle for registration for the first time in this state which was registered in another state that levied a tax substantially identical to the tax levied under this section, such person shall be entitled to receive a credit against the tax imposed by this section equal to the amount of tax paid to the other state. No credit shall be given under this subsection for taxes paid in another state if that state does not grant similar credit for substantially identical taxes paid in this state.

(6) No county clerk or other officer shall register or issue any license tags to the owner of any motor vehicle subject to this tax, when the vehicle is then being offered for registration for the first time *in Kentucky,* unless the seller or his agent delivers to the county clerk or other officer a certified or [photostat copy of the manufacturer's price label for passenger cars or a certified or] photostat copy of the itemized billing to the customer [in the case of all other motor vehicles:] *which shall include all optional equipment and transportation charges and shall set out the total purchase price paid for the vehicle and such additional items, and, in case of motor vehicles previously registered in Kentucky, shall show the total purchase price paid for the vehicle,* and the clerk shall attach the certified or photostat copy to the copy of the certificate of registration and ownership mailed to the department.

Section 3. KRS 138.470 is hereby amended to read as follows:

There is expressly exempted from the tax imposed by KRS 138.460:

(1) Motor vehicles sold to the United States, or to the Commonwealth of Kentucky or any of its political subdivisions;

(2) Motor vehicles sold to institutions of purely public charity and institutions of education not used or employed for gain by any person or corporation;

(3) Motor vehicles sold or transferred to licensed motor vehicle dealers for resale;

(4) Motor vehicles sold or transferred to nonresident members of the armed forces on duty in this Commonwealth under orders from the United States Government.

(5) Commercial motor vehicles, excluding passenger vehicles having a seating capacity for nine persons or less, owned by nonresident owners and used primarily in interstate commerce and based in a state other than Kentucky which are required to be registered in Kentucky by reason of operational requirements or fleet proration agreements and are registered pursuant of KRS 186.145.

(6) Motor vehicles transferred to or from a parent and his child, or a husband and his wife, without any consideration being paid for the transfer. The transferor must make an affidavit that no consideration changed hands and that the transferee is the wife, husband, parent or child of the transferor.

(7) Motor vehicles transferred from an executor or an administrator of an estate of a deceased person to a beneficiary without consideration provided a copy of the court order appointing the executor or administrator is attached to the Revenue copy of the bill of sale.

(8) Motor vehicles which are directed to be transferred by a court order in a legal action not involving the amount of or payment of a consideration for the transfer.

Section 4. KRS 186.070 is hereby amended to read as follows:

(1) Every manufacturer of, or dealer in, motor vehicles in this state shall register with each county clerk in which his principal office or place of business and any branch office or subagent or agency is located, and pay an annual registration fee of twenty-five dollars to each clerk. Upon receipt of this fee, the clerk shall issue the manufacturer or dealer a certificate of registration and one dealer plate. Every manufacturer or dealer registered under this section shall be furnished additional dealer's plates upon the payment of $12.50 for each plate so desired. One dollar shall be retained for each plate so desired. A motor vehicle bearing dealer's plates may be used [only] on the highways by [a member of the firm registered] *the licensed dealer* or by a bona fide salesman or employee of the [firm for any purpose reasonably connected with the sale or demonstration for sale and delivery of the dealer's motor vehicles,] *dealer at all times,* or by any manufacturer or dealer licensed as provided above in

transporting any motor vehicle over the highways of this state to his place of retail business from a maunfacturer or wholesale dealer in motor vehicles. Any dealer in motor vehicles may allow any bona fide customer or the customer's employes to use the dealer's tag on the motor vehicle that is being demonstrated. This provision shall be limited to one trip or demonstration to the same prospective customer.

(2) Each manufacturer and dealer when making application for dealer's plates shall file a verified statement with the clerk, giving the name and address of each member of the firm and each bona fide salesman or employe entitled to the use of the plates for demonstration purposes only. When any bona fide salesman or employe so registered is no longer in the employ of the firm, an amended verified statement shall be filed with the clerk showing that fact, and when any additional salesmen or employes are employed, an amended verified statement showing their names and addresses shall be filed with the clerk so that the records in the clerk's office will at all times show the bona fide salesmen and employes actually in the service of the registered dealer or manufacturer.

(3) The license of any dealer or manufacturer may be revoked by the Department of Revenue for the violation of any of the provisions of this section. Such manufacturer or dealer shall be given an opportunity to be heard in defense of the charge that he has violated any of the provisions of this section and the Department of Revenue shall adopt and promulgate rules and regulations governing the procedure for such revocation. Provided, however, that any manufacturer or dealer whose license is so revoked may prosecute an appeal to the Kentucky Board of Tax Appeals as provided by law. Such manufacturer or dealer whose license has been suspended is prohibited from engaging in the business of selling or buying motor vehicles. The license of any manufacturer or dealer shall be revoked for a period of one year and his dealer's plates cancelled in the event he violates any of the provisions of this section during this suspension period or has been suspended by the department more than twice for violations of this section. At the end of the revocation or suspension period the manufacturer or dealer whose license has been revoked or suspended and dealer's plates cancelled may

follow the provisions of this section and again be registered and secure dealer's plates from the clerk.

(4) The Department of Revenue shall be responsible for the administration of this section, and is empowered to promulgate rules and regulations pertaining to the administration thereof.

(5) *The Department of Revenue may revoke the license of any dealer for the violation of any of the provisions of KRS 138.450, 138.460, or 138.470 or the failure of any dealer to correctly show the actual sales price of a motor vehicle sold or taken in trade on the bill of sale. The provisions of section (3) with regard to the opportunity to be heard, the prosecution of an appeal and the terms of the revocation shall be applicable to this section.*

The Committee Amendment to **HB 72** is as follows:

Amend printed copy of House Bill 72 on page 1, by:
deleting all words on lines 1 through 11 inclusive
and on page 2, by deleting all words on lines 1 through 28 inclusive
and on page 3, by deleting all words on lines 1 through 28 inclusive
and on page 4, by deleting all words on lines 1 through 28 inclusive
and on page 5, by deleting all words on lines 1 through 23 inclusive
and on page 5, line 24, by deleting "4" after "Section" and inserting in lieu thereof "1"
and on page 8, by deleting all words on lines 3 through 10 inclusive.

The Committee on Education reported **HB 450** with Committee Amendment attached thereto and **HB 702** with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 450, AN ACT relating to teachers' salaries.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Section 157.390 of the Kentucky Revised Statutes is amended to read as follows:

(1) (a) The Superintendent of Public Instruction, under regulations of the State Board of Education, shall classify teachers in rank as follows:

Rank I. Those holding regular certificates and who have a master's degree and who have earned thirty semester hours of additional approved graduate work, and those teachers who, as of September 1, 1962, were included in Rank I, having earned twenty-four semester hours of additional approved graduate work.

Rank II. Those holding regular certificates and who have a master's degree or its equivalent.

Rank III. Those holding regular certificates and who have an approved four-year college degree or the equivalent.

Rank IV. Those holding certificates and who have ninety-six to one hundred and twenty-eight semester hours of approved college training or the equivalent; provided, however, that persons holding emergency certificates shall not be classified higher than this rank for calculation of the amount to be included in the foundation program.

Rank V. Those holding certificates and who have sixty-four to ninety-five semester hours of approved college training or the equivalent.

Rank VI. Those holding certificates and who have thirty-two to sixty-three semester hours of approved college training or the equivalent; provided, however, that effective July 1, 1965, no teacher in Rank VI shall be included in calculating the amount to be included in the foundation program.

Rank VII. Those holding certificates and who have fewer than thirty-two semester hours of approved college training or the equivalent; provided, however, that effective July 1, 1964, no teacher in Rank VII shall be included in calculating the amount to be included in the foundation program.

(b) In determining ranks, the Superintendent of Public Instruction, under regulations of the State Board of Education, shall classify teachers who hold valid certificates in the respec-

tive ranks according to approved college semester hours of credit. The Superintendent of Public Instruction, in defining preparation for certain types of vocational teachers as equivalent to college training, shall give consideration to apprenticeship training and industrial experience.

(2) The amount to be included in the 1968-69 school year in the foundation program of a district for teachers' salaries shall be determined by multiplying the number of teachers in each rank, not to exceed the number of classroom units allowed, by the amount set forth in the following schedule for each rank:

	Rank				
Experience	I	II	III	IV	V
0-3 Years	$5950	$5550	$5150	$2900	$2600
4-9 Years	6550	6150	5750	2900	2600
10 Years & Over	6900	6500	6100	2900	2600

Beginning with the school year 1969-70, the amount to be included in the foundation program of a district for teachers' salaries shall be determined by multiplying the number of teachers in each rank, not to exceed the number of classroom units allowed, by the amount set forth in the following allotment schedule for each rank:

	Rank				
Experience	I	II	III	IV	V
0-3 Years	$6125	$5675	$5225	$2900	$2600
4-9 Years	7025	6575	6125	2900	2600
10 Years & Over	7550	7100	6650	2900	2600

Provided, the amount to be included for vocational units, supervisory units, and units for administrators, directors of pupil personnel and special instructional services shall be increased proportionately if the personnel for such units are employed for longer than the regular school term and such employment is approved by the Superintendent of Public Instruction under regulations of the State Board of Education. Where the actual number of teachers employed by the district varies from the number allowed under the provisions of KRS 157.310 to 157.440, the number to be included in each rank shall be in the same ratio that the number of teachers actually in each rank is to the total number of teachers employed.

(3) The amount to be included in the foundation program for other current expenses shall be determined by multiplying the number of classroom units by one thousand one hundred dollars for school year 1968-69 and by one thousand four hundred dollars for school year 1969-70.

(4) The amount to be included in the foundation program for capital outlay shall be determined by multiplying the number of classroom units by seven hundred dollars for school year 1968-69 and by one thousand two hundred dollars for school year 1969-70.

(5) The amount to be included in the foundation program of each district for transportation shall be determined by multiplying the aggregate attendance of transported children by the allowable cost per pupil per day for that district determined in accordance with the provisions of KRS 157.370.

(6) (a) In addition to compensation payable to a teacher as provided for by law, any teacher in Rank I, II, or III may be paid an amount equal to 1 percent of the amount set out in the schedule for ten years and over in subsection (2) for each year of service in the Kentucky school system in excess of ten, but not to exceed twenty years.

(b) The additional compensation provided for by this subsection shall not be considered in computing the amount payable under the teachers' retirement system.

(7) [(6)] The total cost of the foundation program for each district shall be the sum of the allotments in subsections (2), (3), (4), [and] (5), *and (6)* of this section.

Section 2. A new section of Chapter 157 of the Kentucky Revised Statutes is created to read as follows:

A school district may elect to implement the provisions of subsection (6) of Section 1 of this Act by staffing its schoolrooms in a ratio of one teacher to thirty students. Such a district shall still receive state funds on the basis of the ratio set out in subsection (2) of KRS 157.360. Excess funds thereby inuring to the district shall be used to pay the supplementary compensation authorized by subsection (6) of this Act.

The Committee Amendment to **HB 450** is as follows:

Amend printed copy of House Bill 450 on page 5, line 10, by:

deleting the word "thirty" and inserting in lieu thereof the word "twenty-eight"

HB 702, AN ACT relating to education and the financing thereof.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 157.390 is amended to read:

(1) (a) The Superintendent of Public Instruction, under regulations of the State Board of Education, shall classify teachers in rank as follows:

Rank I. Those holding regular certificates and who have a master's degree and who have earned thirty semester hours of additional approved graduate work, and those teachers who, as of September 1, 1962, were included in Rank I, having earned twenty-four semester hours of additional approved graduate work.

Rank II. Those holding regular certificates and who have a master's degree or its equivalent.

Rank III. Those holding regular certificates and who have an approved four-year college degree or the equivalent.

Rank IV. Those holding certificates and who have ninety-six to one hundred and twenty-eight semester hours of approved college training or the equivalent; provided, however, that persons holding emergency certificates shall not be classified higher than this rank for calculation of the amount to be included in the foundation program.

Rank V. Those holding certificates and who have sixty-four to ninety-five semester hours of approved college training or the equivalent.

Rank VI. Those holding certificates and who have thirty-two to sixty-three semester hours of approved college training or the equivalent; provided, however, that effective July 1, 1965, no teacher in Rank VI shall be included in the foundation program.

Rank VII. Those holding certificates and who have fewer than thirty-two semester hours of approved college training or the equivalent; provided, however, that effective July 1, 1964, no teacher in Rank VII shall be included in calculating the amount to be included in the foundation program.

(b) In determining ranks, the Superintendent of Public Instruction, under regulations of the State Board of Education, shall classify teachers who hold valid certificates in the respective ranks according to approved college semester hours of credit. The Superintendent of Public Instruction, in defining preparation for certain types of vocational teachers as equivalent to college training, shall give consideration to apprenticeship training and industrial experience.

(2) The amount to be included in the *1970-71* [1968-69] school year in the foundation program of a district for teachers' salaries shall be determined by multiplying the number of teachers in each rank, not to exceed the number of classroom units allowed, by the amount set forth in the following schedule, *for a term of 185 days,* for each rank:

	Rank				
Experience	*I*	*II*	*III*	*IV*	*V*
0-3 Years	*$6330*	*$5980*	*$5430*	*$2900*	*$2600*
4-9 Years	*7230*	*6780*	*6330*	*2900*	*2600*
10 Years & Over	*7750*	*7300*	*6850*	*2900*	*2600*

	[Rank				
Experience	I	II	III	IV	V
0-3 Years	$5950	$5550	$5150	$2900	$2600
4-9 Years	6550	6150	5750	2900	2600
10 Years & Over	6900	6500	6100	2900	2600]

Beginning with the school year *1971-72* [1969-70] the amount to be included in the foundation program of a district for teacher's salaries shall be determined by multiplying the number of teachers in each rank, not to exceed the number of classroom units allowed by the amount set forth in the following [allotment] schedule, *for a term of 185 days,* for each rank:

	Rank				
Experience	*I*	*II*	*III*	*IV*	*V*
0-3 Years	*$6630*	*$6180*	*$5730*	*$2900*	*$2600*
4-9 Years	*7530*	*7080*	*6630*	*2900*	*2600*
10 Years & Over	*8050*	*7600*	*7150*	*2900*	*2600*

	[Rank				
Experience	I	II	III	IV	V
0-3 Years	$6125	$5675	$5225	$2900	$2600
4-9 Years	7025	6575	6125	2900	2600
10 Years & Over	7550	7100	6650	2900	2600]

Provided, the amount to be included for vocational units, supervisory units, and units for administrators, directors of pupil personnel and special instructional services shall be increased proportionately if the personnel for such units are employed for longer than the regular school term and such employment is approved by the Superintendent of Public Instruction under regulations of the State Board of Education. Where the actual number of teachers employed by the district varies from the number allowed under the provisions of KRS 157.310 to KRS 157.440, the number to be included in each rank shall be in the same ratio that the number of teachers actually in each rank is to the total number of teachers employed.

(3) The amount to be included in the foundation program for other current expenses shall be determined by multiplying the number of classroom units by *the amounts set forth in the biennial budget* [: $1,100 in the 1968-69 school year and $1,400 in the 1969-70 school year].

(4) The amount to be included in the foundation program for capital outlay shall be determined by multiplying the number of classroom units by *the amounts set forth in the biennial budget* [: $700 in the 1968-69 school year and $1,200 in the 1969-70 school year].

(5) The amount to be included in the foundation program of each district for transportation shall be determined by multiplying the aggregate attendance of transported children by the allowable cost per pupil per day for that district determined in accordance with the provisions of KRS 157.370.

(6) The total cost of the foundation program for each district shall be the sum of the allotments in subsections (2), (3), (4), and (5) of this section.

Section 2. KRS 157.420 is amended to read:

Public school foundation program funds made available to the credit of each district during any year, together with the funds required from local tax effort, shall be received, held and expended by the district board, subject to the provisions of law and regulations of the State Board of Education. The following restrictions shall govern the expenditure of funds from the public school foundation program fund:

(1) The teachers' salaries allotment for each district from the public school foundation program fund and from local sources shall be used only for teachers holding properly authorized certificates; *who are qualified for their respective positions under applicable provisions of law and regulations; and who maintain programs which have been approved pursuant to applicable regulations.* The average salary paid any rank of teachers shall be at least equivalent to the public school foundation program fund allotment for that rank as established in subsection (2) of KRS 157.390, and no teacher shall be paid less than *ninety-three* [ninety-five] percent of the public school foundation program fund allotment for that rank provided, however, that no teacher in Rank *I, II, or* III shall be paid less than *$5,300 during 1970-71 school year and $5,450 during 1971-72 school year* [$4500] for full-time service *and a school term of 185 days.*

[(2) The State Board of Education shall not approve any working budget or salary schedule for local boards of education for any school year in which the total amount budgeted for teachers' salaries is not equal to an amount required to maintain the district's salary schedule of the preceding year plus the additional amount for teachers' salaries and guarantee received by the district].

(2) [3] The capital outlay allotment for each district from the public school foundation program fund and from local sources shall be kept in a separate fund and may be used by the district only for capital outlay projects approved by the Superintendent of Public Instruction in accordance with requirements

of law, and based on a survey made in accordance with rules and regulations prescribed by the State Board of Education. These funds shall be used for the following capital outlay purposes:

(a) For direct payment of construction costs;

(b) For debt service on voted and funding bonds;

(c) For payment or lease-rental agreements under which the board eventually will acquire ownership of a school plant;

(d) For the retirement of any deficit resulting from over-expenditure for capital construction, if such deficit resulted from an emergency declared by the State Board of Education under KRS 160.550;

(e) As a reserve fund for the above named purposes, to be carried forward in ensuing budgets; provided, however, if any district has a special levy for capital outlay or debt service that is equal to the capital outlay allotment or a proportionate fraction thereof, and spends the proceeds of that levy for the above named purposes, the Superintendent of Public Instruction, under regulations of the State Board of Education, may authorize the district to use all or a proportionate fraction of its capital outlay allotment for current expenses.

(3) [4] If a survey shows that a school district has no capital outlay needs as shown in paragraph (a), (b), (c) and (d) above, upon approval of the Superintendent of Public Instruction, these funds may be used for school plant maintenance, repair, insurance on buildings, and replacement of equipment.

A new section of the Kentucky Revised Statutes is noted to read as follows:

Section 3. To carry out the purposes of this Act, lines 9 through 14, inclusive, Page 12, of the Committee substitute for House Bill 18 of the 1970 Regular Session of the Kentucky General Assembly are hereby deleted and the provisions of this Act substituted in lieu thereof. There is hereby appropriated out of the General Expenditure Fund of the Commonwealth, in addition to all other funds previously appropriated by the 1970 Regular Session of the Kentucky General Assembly, to the Teachers' Retirement System the sum of $434,703.

The Committee on Rules reported HB 422, with Committee

Amendment attached thereto, has been recommitted to the Committee on Appropriations and Revenue for fiscal implications.

The Committee on Rules reported **SB 91, HB 147, HB 258, HB 287, HB 321, HB 611, HB 612, HB 613, HB 615, HB 616, HB 623, HR 65, HR 70, SB 176** and **SB 208** have been posted for passage in Orders of the Day, March 10, 1970.

Calendar

HB 341, HB 289, HB 305, HB 157, HB 215, HB 233, HB 344, HB 349, HB 373, HB 374, HB 375, HB 378, HB 386, HB 393, HB 453, HB 463, HB 551, HB 557, HB 572, HB 580, HB 590, HB 598, HB 610, HB 625, HB 630, HB 638, HB 651, HB 560, HB 659, HB 669, HB 691, HB 561, HB 466, HB 487, HB 488, HB 512, HB 537, HB 538, HR 59, SB 149, SB 150, SB 138, SB 92, SB 35, SB 24, SB 191, and **SB 172** taken from the Calendar and ordered read at length for the second time. Representative McBrayer moved that they be read by title only. Agreed by a majority of members elected. Ordered placed in Orders of the Day.

Motions, Petitions and Communications

Representative Peak filed an amendment to **HB 543.**

Representative Freeman filed an amendment to **HB 469.**

Representative DeMarcus filed an amendment to **SB 156.**

Representative Schmidt moved the adoption of **HR 95.** Agreed.

HR 95, A RESOLUTION to adjourn the House of Representatives on Monday, March 9, 1970, in memory of Carl A. Bamberger.

WHEREAS, the Commonwealth of Kentucky and her General Assembly have lost one of their truest of friends and companions in Carl A. Bamberger; and

WHEREAS, this "Gentleman from Campbell 68" served in the House of Representatives of Kentucky on two occasions with high distinction; and

WHEREAS, each of those in the General Assembly having the pleasure of knowing Carl Bamberger were unfailingly impressed by his warm-heartedness, gentility and true devotion to the public service of his beloved Kentucky;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

That when the House of Representatives does adjourn on Monday, March 9, 1970, it does so in fond and loving memory of Carl A. Bamberger, and extends its deepest sympathy to his family.

The following members requested their names be added as sponsors of **HR 95.** Permission was granted for Representative McGill's name to be added.

Representatives Alexander, Allen, Arnett, Baker, Bartley, Blandford, Bleemel, Blume, Blythe, Archie Brown, Edward G. Brown, Hershel Brown, Bruce, Carroll, Carter, Chapman, Clapp, Clarke, Collins, Conn, Curlin, James A. Davis, Walter Davis, DeMarcus, Deskins, Donnermeyer, Dorris, Durham, Floyd, Freeman, Graves, Haney, John O. Hardin, L. T. Hardin, Head, Hinkle, Holloway, Huff, Hughes, Isler, Keene, Keith, Kenton, Kessinger, Kidd, King, Kleier, Knuckles, Lewis, Lindsay, Louden, Lovins, McBrayer, McBride, McCann, McGill, McKinney, McNamara, Massey, May, Mershon, Miller, Mitchell, Murphy, Nett, Osborne, Parish, Paxton, Peak, Pollitte, Prather, Priddy, Rattliff, Ray, Reed, Russell Reynolds, T. P. Reynolds, W. J. Reynolds, Rickert, Roberts, Ruh, Salyers, Schmidt, Sharpe, Siemens, Simmons, Stuart, Swinford, Tobin, Van Horn, Wells, Wenz, West, Wheeler, Glenn White, John E. White, Wible, Wright, Wyatt, Yocom.

Report on Enrolled Bills

The Committee on Enrollment reported **HB 245, HB 227, HB 90, HB 66** and **HB 36** had been examined and found correctly

enrolled. **HB 245, HB 227, HB 90, HB 66** and **HB 36** read at length, compared and signed in open session by the Speaker. Ordered delivered to the Senate.

Motions, Petitions and Communications (Continued)

Representative McBride moved the adoption of **HR 93.** Agreed.

HR 93, A RESOLUTION requesting the Kentucky Department of Highways to install a flashing beacon light on Highway 60 at Mattoon, Kentucky.

WHEREAS, at the town of Mattoon, in Crittenden County, Kentucky, at the location of an intersection of Highway 60 with another road, there have been several serious traffic accidents; and

WHEREAS, the citizens of the community allege that the 45 mph speed limit is grossly exceeded by all through traffic and there is inadequate enforcement of the speed limit by police officers; and

WHEREAS, the intersection is located at a school zone; and

WHEREAS, the citizens of the community have voiced the need for a caution light as an attempt to prevent further accidents;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

Section 1. That the Kentucky Department of Highways be and it hereby is requested to install a flashing beacon light at the intersection of Highway 60 and another road at Mattoon, Crittenden County, Kentucky.

Section 2. That the Clerk of the House of Representatives of the General Assembly be and he is hereby directed to send copies of this resolution to Eugene Goss, Commissioner of the Kentucky Department of Highways, and to Mrs. Carl A. Ray, Mattoon, Kentucky.

Representative Priddy requested that her name be removed as sponsor of **HB 697.** Agreed.

Representative Priddy requested that she be permitted to change her vote from "nay" to "yea" on the passage of **HB 528.** Agreed.

Representative Graves moved that the vote by which **HB 180** was defeated be reconsidered.

On the roll call the vote was yeas 41—Allen, Arnett, Blandford, Blume, Carroll, Carter, Chapman, Clarke, Conn, Curlin, Donnermeyer, Freeman, Graves, Head, Hughes, Isler, Keene, Kenton, Kidd, Kleier, Lewis, McBrayer, McBride, Mershon, Miller, Murphy, Nett, Prather, Priddy, Ray, Reed, Roberts, Ruh, Salyers, Siemens, Swinford, Van Horn, Wenz, Wible, Wyatt, Yocom. Nays 17—Baker, H. Brown, Collins, W. Davis, Floyd, Holloway, Kessinger, Knuckles, Louden, Lovins, Peak, Rickert, Stuart, Tobin, Wheeler, G. White, J. White.

The motion that the vote by which **HB 180** was defeated be reconsidered was rejected.

Representative Durham moved the adoption of **HR 92.** Agreed.

HR 92, A RESOLUTION requesting the Public Service Commission to investigate the charging, by telephone companies, of long-distance toll rates upon intra-county calls.

WHEREAS, in some counties of Kentucky the users of telephone facilities, if they desire to call other points within the county, are required to pay a long-distance toll for each call so made; and

WHEREAS, it is certainly inequitable and possibly unwarranted to require any person needing and using telephone services, in this age of swift communication and at a time when telephone usage is greater than ever before, to pay a long-distance toll for a telephone call from or to another within the same county;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

That the Public Service Commission be requested to ascertain those counties in which this unfortunate condition exists and investigate the telephone services now offered, and that the Public Service Commission further be requested to seek out and implement those remedies available to alleviate this condition wherever existent.

Representative McNamara requested that her name be removed as co-sponsor of **HB 451** and **HB 452**. Agreed.

Senate Message

Announcing passage of **SB 274.**

Representative Prather moved that the vote by which **HB 452** was defeated on March 5, 1970, be reconsidered; and, upon reconsideration, **HB 452** be placed at the bottom of Orders of the Day. Agreed.

Representative Kenton filed amendments to **HB 616** and **HB 618.**

Orders of the Day

Representative J. Hardin moved that **HB 65, HB 225, HB 369, HB 436** and **HB 474** be deferred and that they retain their position in Orders of the Day. Agreed.

HB 521 taken from Orders of the Day and ordered read at length for the third time. Representative J. Hardin moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

On the roll call the vote was yeas 86—Alexander, Allen, Arnett, Baker, Blandford, Bleemel, Blythe, Archie Brown, Edward G. Brown, Hershel Brown, Bruce, Carter, Clapp, Clarke, Collins, Curlin, James A. Davis, Walter Davis, DeMarcus, Donnermeyer, Dorris, Durham, Floyd, Graves, Haney, John O. Hardin, L. T. Hardin, Head, Hinkle, Huff, Hughes, Isler, Keene, Keith, Kenton, Kessinger, Kidd, King, Kleier, Knuckles, Lewis, Lindsay, Louden, Lovins, McBrayer, McBride, McCann, McKinney, McNamara, Massey, May, Mershon, Mitchell, Nett, Osborne, Parish, Paxton, Peak, Prather, Priddy, Ratliff, Ray,

Reed, T. P. Reynolds, W. J. Reynolds, Rickert, Roberts, Ruh, Salyers, Schmidt, Sharpe, Siemens, Simmons, Stuart, Swinford, Tobin, Van Horn, Wells, Wenz, West, Wheeler, Glenn White, John E. White, Wible, Wright, Wyatt. Nays 0.

HB 521 was passed and the title agreed to.

Representative J. Hardin moved that the vote by which **HB 521** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

SB 125 taken from Orders of the Day and ordered read at length for the third time. Representative J. Hardin moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

On the roll call the vote was yeas 87—Alexander, Allen, Arnett, Baker, Bartley, Blandford, Bleemel, Blythe, Archie Brown, Hershel Brown, Bruce, Carter, Clapp, Clarke, Collins, Curlin, James A. Davis, Walter Davis, DeMarcus, Deskins, Donnermeyer, Dorris, Durham, Floyd, Freeman, Graves, Haney, John O. Hardin, L. T. Hardin, Head, Hinkle, Huff, Hughes, Isler, Keene, Keith, Kenton, Kessinger, Kidd, King, Kleier, Knuckles, Lewis, Lindsay, Louden, Lovins, McBrayer, McBride, McCann, McNamara, Massey, May, Mershon, Miller, Mitchell, Osborne, Paxton, Peak, Prather, Priddy, Rattliff, Ray, Reed, Russell Reynolds, T. P. Reynolds, W. J. Reynolds, Rickert, Roberts, Ruh, Salyers, Schmidt, Sharpe, Siemens, Simmons, Stuart, Swinford, Tobin, Van Horn, Wells, Wenz, West, Wheeler, Glenn White, John E. White, Wible, Wright, Wyatt. Nays 0.

SB 125 was passed and the title agreed to.

Representative J. Hardin moved that the vote by which **SB 125** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

SB 151 taken from Orders of the Day and ordered read at length for the third time. Representative J. Hardin moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

On the roll call the vote was yeas 86—Alexander, Allen, Arnett, Baker, Bartley, Blandford, Bleemel, Blythe, Archie Brown, Edward G. Brown, Hershel Brown, Bruce, Carter, Clapp, Clarke,

Collins, Curlin, James A. Davis, Walter Davis, DeMarcus, Deskins, Donnermeyer, Dorris, Durham, Floyd, Freeman, Graves, Haney, John O. Hardin, L. T. Hardin, Head, Hinkle, Huff, Hughes, Isler, Keene, Keith, Kenton, Kessinger, King, Kleier, Knuckles, Lewis, Lindsay, Lovins, McBrayer, McBride, McCann, McKinney, McNamara, Massey, May, Mershon, Miller, Mitchell, Osborne, Parish, Paxton, Peak, Prather, Priddy, Rattliff, Ray, Reed, Russell Reynolds, T. P. Reynolds, W. J. Reynolds, Rickert, Ruh, Salyers, Schmidt, Sharpe, Simmons, Stuart, Swinford, Tobin, Van Horn, Wells, Wenz, West, Wheeler, Glenn White, John E. White, Wible, Wright, Wyatt. Nays 0.

SB 151 was passed and the title agreed to.

Representative J. Hardin moved that the vote by which **SB 151** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 318, as amended, taken from Orders of the Day and ordered read at length for the third time. Representative J. Hardin moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

On the roll call the vote was yeas 60—Arnett, Baker, Blandford, Bleemel, Blume, Edward G. Brown, Hershel Brown, Carter, Chapman, Clapp, Collins, Curlin, Deskins, Donnermeyer, Durham, Floyd, Graves, John O. Hardin, Head, Hinkle, Hughes, Isler, Keene, Kenton, Kidd, Kleier, Knuckles, Lewis, Lindsay, Lovins, McBrayer, McBride, McNamara, May, Mershon, Mitchell, Nett, Parish, Paxton, Peak, Prather, Priddy, Reed, Russell Reynolds, W. J. Reynolds, Rickert, Ruh, Schmidt, Siemens, Simmons, Stuart, Swinford, Tobin, Van Horn, Wells, Wenz, Glenn White, Wible, Wyatt, Yocom. Nays 15—Alexander, Allen, Bartley, J. Davis, Dorris, L. Hardin, Huff, Keith, Kessinger, King, Rattliff, Ray, Sharpe, West, Wheeler.

HB 318 as amended was passed and the title agreed to.

Representative J. Hardin moved that the vote by which **HB 318** as amended was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 379 taken from Orders of the Day and ordered read at length for the third time. Representative McBrayer moved

that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

On the roll call the vote was yeas 91—Alexander, Allen, Arnett, Baker, Bartley, Blandford, Bleemel, Blume, Archie Brown, Edward G. Brown, Hershel Brown, Bruce, Carroll, Carter, Chapman, Clapp, Clarke, Curlin, James A. Davis, Walter Davis, DeMarcus, Deskins, Donnermeyer, Durham, Floyd, Freeman, Graves, Haney, John O. Hardin, L. T. Hardin, Head, Hinkle, Holloway, Huff, Hughes, Isler, Keene, Keith, Kenton, Kessinger, Kidd, King, Knuckles, Lewis, Lindsay, Louden, Lovins, McBrayer, McBride, McCann, McKinney, McNamara, Massey, May, Mershon, Mitchell, Nett, Osborne, Parish, Paxton, Peak, Prather, Priddy, Rattliff, Ray, Reed, Russell Reynolds, T. P. Reynolds, W. J. Reynolds, Rickert, Roberts, Ruh, Salyers, Schmidt, Sharpe, Siemens, Simmons, Stuart, Swinford, Tobin, Van Horn, Wells, Wenz, West, Wheeler, Glenn White, John E. White, Wible, Wright, Wyatt, Yocom. Nays 0.

HB 379 was passed and the title agreed to.

Representative McBrayer moved that the vote by which **HB 379** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 401 taken from Orders of the Day and ordered read at length for the third time. Representative McBrayer moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

On the roll call the vote was yeas 63—Alexander, Arnett, Blandford, Bleemel, Blume, Edward G. Brown, Carroll, Carter, Chapman, Clapp, Clarke, Curlin, Deskins, Donnermeyer, Dorris, Freeman, Graves, John O. Hardin, Head, Hinkle, Huff, Hughes, Isler, Keene, Kenton, Kidd, Kleier, Lewis, Lindsay, Louden, Lovins, McBrayer, McBride, McCann, May, Mershon, Miller, Mitchell, Murphy, Nett, Parish, Paxton, Peak, Prather, Priddy, Ray, Reed, Russell Reynolds, T. P. Reynolds, W. J. Reynolds, Rickert, Ruh, Salyers, Siemens, Swinford, Tobin, Van Horn, Wells, Wenz, Glenn White, Wible, Wyatt, Yocom. Nays 19—Baker, Bartley, A. Brown, H. Brown, Collins, DeMarcus, Durham, Floyd, L. Hardin, Holloway, Keith, Kessinger, Osborne, Schmidt, Sharpe, Simmons, Stuart, Wheeler, Wright.

HB 401 was passed and the title agreed to.

Representative McBrayer moved that the vote by which **HB 401** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

Representative McBrayer moved that **HB 437** and **HB 543** be deferred and that they retain their position in Orders' of the Day. Agreed.

HB 534 taken from Orders of the Day and ordered read at length for the third time. Representative McBrayer moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

On the roll call the vote was yeas 96—Alexander, Allen, Arnett, Baker, Bartley, Blandford, Bleemel, Blume, Archie Brown, Edward G. Brown, Hershel Brown, Bruce, Carroll, Carter, Chapman, Clapp, Clarke, Collins, Curlin, James A. Davis, Walter Davis, DeMarcus, Deskins, Donnermeyer, Dorris, Durham, Floyd, Freeman, Graves, Haney, John O. Hardin, L. T. Hardin, Head, Hinkle, Holloway, Huff, Hughes, Isler, Keene, Keith, Kenton, Kessinger, Kidd, King, Kleier, Knuckles, Lewis, Lindsay, Louden, Lovins, McBrayer, McBride, McCann, McKinney, McNamara, Massey, May, Mershon, Miller, Mitchell, Murphy, Nett, Osborne, Parish, Paxton, Peak, Prather, Priddy, Rattliff, Ray, Reed, Russell Reynolds, T. P. Reynolds, W. J. Reynolds, Rickert, Roberts, Ruh, Salyers, Schmidt, Sharpe, Siemens, Simmons, Stuart, Swinford, Tobin, Van Horn, Wells, Wenz, West, Wheeler, Glenn White, John E. White, Wible, Wright, Wyatt, Yocom. Nays 0.

HB 534 was passed and the title agreed to.

Representative McBrayer moved that the vote by which **HB 534** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 578 taken from Orders of the Day and ordered read at length for the third time. Representative McBrayer moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Conn moved the adoption of the following amendment to **HB 578:**

Amend printed copy of House Bill 578 on page 4, line 23, by:

changing the word "agencies" to "services"

and on page 8, line 11, by changing the word "department" to "board"

and on page 9, line 6, by correcting the error in the word "for"

and on line 17, by changing the word "shall" to "may"

and on line 18, by changing the line to read as follows:

"license lives, operates or proposes to operate an employment service, at the discretion of the board."

Agreed.

On the roll call the vote was yeas 60—Alexander, Allen, Arnett, Baker, Blandford, Bleemel, Blume, Bruce, Carroll, Carter, Chapman, Clarke, Conn, Curlin, Deskins, Donnermeyer, Floyd, Freeman, Graves, Haney, John O. Hardin, Head, Hinkle, Hughes, Isler, Keene, Kenton, Kidd, Kleier, Knuckles, Lewis, Lindsay, McBrayer, McBride, McCann, May, Mershon, Miller, Mitchell, Parish, Paxton, Peak, Pollitte, Prather, Priddy, Reed, T. P. Reynolds, W. J. Reynolds, Rickert, Salyers, Siemens, Simmons, Swinford, Van Horn, Wenz, West, Wheeler, Glenn White, Wible, Yocom. Nays 25—Bartley, Blythe, A. Brown, E. G. Brown, H. Brown, W. Davis, DeMarcus, L. Hardin, Huff, Keith, Kessinger, Lovins, McKinney, Murphy, Nett, Osborne, Rattliff, Ray, R. Reynolds, Schmidt, Sharpe, Stuart, Tobin, J. White, Wright.

HB 578 was passed and the title agreed to.

Representative Conn moved that the vote by which **HB 578** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 620 taken from Orders of the Day and ordered read at length for the third time. Representative McBrayer moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

On the roll call the vote was yeas 83—Alexander, Allen, Arnett, Baker, Blandford, Bleemel, Blume, Blythe, Archie Brown, Edward G. Brown, Hershel Brown, Bruce, Carter, Chapman, Clapp, Clarke, Collins, Conn, James A. Davis, Walter Davis, DeMarcus, Deskins, Donnermeyer, Dorris, Durham, Floyd, Free-

man, Graves, Haney, L. T. Hardin, Head, Hinkle, Holloway, Huff, Hughes, Isler, Keene, Keith, Kenton, Kessinger, Kidd, King, Kleier, Knuckles, Lewis, Lindsay, Louden, Lovins, McBrayer, McBride, McCann, McNamara, Massey, May, Mershon, Mitchell, Nett, Parish, Paxton, Peak, Pollitte, Prather, Priddy, Reed, T. P. Reynolds, W. J. Reynolds, Rickert, Salyers, Schmidt, Sharpe, Siemens, Simmons, Stuart, Swinford, Tobin, Van Horn, Wenz, West, Wheeler, John E. White, Wible, Wright, Yocom. Nays 0.

HB 620 was passed and the title agreed to.

Representative McBrayer moved that the vote by which **HB 620** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 621 taken from Orders of the Day and ordered read at length for the third time. Representative McBrayer moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

On the roll call the vote was yeas 76—Allen, Arnett, Baker, Blandford, Bleemel, Blume, Blythe, Archie Brown, Edward G. Brown, Bruce, Chapman, Clapp, Clarke, Collins, Conn, Curlin, Walter Davis, DeMarcus, Deskins, Dorris, Durham, Graves, Haney, John O. Hardin, L. T. Hardin, Hinkle, Holloway, Huff, Hughes, Isler, Keene, Kenton, Kessinger, Kidd, King, Kleier, Knuckles, McBrayer, McBride, McCann, McKinney, McNamara, Massey, May, Mershon, Mitchell, Osborne, Parish, Paxton, Peak, Pollitte, Prather, Priddy, Rattliff, Reed, Russell Reynolds, T. P. Reynolds, W. J. Reynolds, Ruh, Salyers, Schmidt, Sharpe, Siemens, Simmons, Stuart, Swinford, Tobin, Van Horn, Wells, Wenz, West, Wheeler, John E. White, Wible, Wright, Yocom. Nays 6—Alexander, H. Brown, Freeman, Lewis, Lovins, Rickert.

HB 621 was passed and the title agreed to.

Representative McBrayer moved that the vote by which **HB 621** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

SB 59 taken from Orders of the Day and ordered read at length for the third time. Representative McBrayer moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

On the roll call the vote was yeas 93—Alexander, Allen, Arnett, Baker, Blandford, Bleemel, Blume, Archie Brown, Edward G. Brown, Hershel Brown, Bruce, Carroll, Carter, Chapman, Clapp, Clarke, Collins, Conn, Curlin, James A. Davis, Walter Davis, Deskins, Donnermeyer, Dorris, Durham, Floyd, Freeman, Graves, Haney, John O. Hardin, L. T. Hardin, Head, Hinkle, Holloway, Huff, Hughes, Isler, Keene, Keith, Kenton, Kessinger, Kidd, King, Kleier, Knuckles, Lewis, Lindsay, Louden, Lovins, McBrayer, McBride, McCann, McKinney, McNamara, Massey, May, Mershon, Mitchell, Osborne, Parish, Paxton, Peak, Pollitte, Prather, Priddy, Rattliff, Ray, Reed, Russell Reynolds, T. P. Reynolds, W. J. Reynolds, Rickert, Roberts, Ruh, Salyers, Schmidt, Sharpe, Siemens, Simmons, Stuart, Swinford, Tobin, Van Horn, Wells, Wenz, West, Wheeler, Glenn White, John E. White, Wible, Wright, Wyatt, Yocom. Nays 0.

SB 59 was passed and the title agreed to.

Representative McBrayer moved that the vote by which **SB 59** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

Representative Conn requested that he be recorded as voting "aye" on **HB 521, SB 125, SB 151, HB 318, HB 379, HB 401** and **HB 534.**

Representative Stuart requested that his vote be changed from "aye" to "nay" on **HB 318.**

Representative Haney requested that he be recorded as voting "yea" on **HB 401.**

SB 180 taken from Orders of the Day and ordered read at length for the third time. Representative McBrayer moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

On the roll call the vote was yeas 82—Alexander, Allen, Arnett, Blandford, Bleemel, Blume, Archie Brown, Edward G. Brown, Hershel Brown, Bruce, Carroll, Carter, Chapman, Clapp, Clarke, Collins, Curlin, Deskins, Donnermeyer, Dorris, Durham, Floyd, Freeman, Graves, Haney, John O. Hardin, Head, Hinkle, Holloway, Huff, Hughes, Isler, Keene, Kenton, Kidd, Kleier, Knuckles, Lindsay, Louden, Lovins, McBrayer, McBride, Mc-

Cann, McKinney, McNamara, Massey, May, Mershon, Miller, Mitchell, Parish, Paxton, Peak, Pollitte, Prather, Priddy, Rattliff, Ray, Reed, Russell Reynolds, T. P. Reynolds, W. J. Reynolds, Rickert, Roberts, Ruh, Salyers, Schmidt, Siemens, Simmons, Swinford, Tobin, Van Horn, Wells, Wenz, West, Wheeler, Glenn White, John E. White, Wible, Wright, Wyatt, Yocom. Nays 4—W. Davis, DeMarcus, Kessinger, Stuart.

SB 180 was passed and the title agreed to.

Representative McBrayer moved that the vote by which **SB 180** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

SB 206 taken from Orders of the Day and ordered read at length for the third time. Representative McBrayer moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

On the roll call the vote was yeas 76—Alexander, Allen, Arnett, Baker, Bartley, Blandford, Bleemel, Blume, Blythe, Archie Brown, Edward G. Brown, Hershel Brown, Bruce, Carter, Chapman, Clarke, Collins, Conn, Curlin, DeMarcus, Deskins, Donnermeyer, Dorris, Durham, Floyd, Haney, John O. Hardin, L. T. Hardin, Head, Hinkle, Hughes, Isler, Keene, Keith, Kenton, Kessinger, King, Knuckles, Lewis, Lindsay, Louden, McBride, McCann, McNamara, Massey, May, Mershon, Mitchell, Murphy, Osborne, Parish, Paxton, Peak, Pollitte, Priddy, Rattliff, Ray, Reed, Russell Reynolds, T. P. Reynolds, W. J. Reynolds, Roberts, Ruh, Salyers, Schmidt, Sharpe, Simmons, Swinford, Tobin, Van Horn, Wells, Wenz, West, Glenn White, John E. White, Wible. Nays 11—Clapp, J. Davis, Freeman, Graves, Holloway, Huff, McKinney, Prather, Rickert, Wright, Yocom.

SB 206 was passed and the title agreed to.

Representative McBrayer moved that the vote by which **SB 206** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 61 taken from Orders of the Day and ordered read at length for the third time. Representative McBrayer moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Hinkle moved the adoption of the following Amendment No. 1 to **HB 61:**

Amend printed copy of House Bill 61 on page 1, line 6, by: changing the word "shall" to "may"

Agreed.

Representative McCann moved the adoption of the following Amendment No. 2 to **HB 61:**

Amend printed copy of House Bill 61 on page 1, line 3, by: changing the word "teacher" to "school personnel"

and on lines 3, 4 and 5, by striking the words "for whom certification is required as a basis of employment in the common schools of the state." and substituting therefor the words "employed as a full time employe in the public schools."

and on pages 1 and 2, lines 6 through 12 and 1 respectively. by striking those lines and substituting therefor the following:

"(2) Each district board of education may allow each person employed as a full time employe in the public schools emergency days for reasons designated by the district board of education, without loss of salary to the employe and without affecting their sick leave."

Agreed.

On the roll call the vote was yeas 92—Alexander, Allen, Arnett, Baker, Blandford, Bleemel, Blume, Archie Brown, Edward G. Brown, Hershel Brown, Bruce, Carroll, Carter, Chapman, Clapp, Clarke, Collins, Conn, Curlin, James A. Davis, Walter Davis, DeMarcus, Deskins, Donnermeyer, Dorris, Durham, Floyd, Freeman, Graves, Haney, John O. Hardin, L. T. Hardin, Head, Hinkle, Holloway, Huff, Hughes, Isler, Keene, Keith, Kenton, Kessinger, Kidd, King, Kleier, Knuckles, Lewis, Lindsay, Louden, Lovins, McBrayer, McBride, McCann, McKinney, McNamara, Massey, May, Mershon, Mitchell, Osborne, Parish, Paxton, Peak, Pollitte, Prather, Priddy, Rattliff, Ray, Reed, Russell Reynolds, T. P. Reynolds, W. J. Reynolds, Rickert, Roberts, Ruh, Salyers, Schmidt, Sharpe, Simmons, Swinford, Tobin, Van Horn, Wells, Wenz, West, Wheeler, Glenn White, John E. White, Wible, Wright, Wyatt, Yocom. Nays 0.

HB 61 as amended was passed and the title agreed to.

Representative McBrayer moved that the vote by which **HB 61** as amended was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 505, with Committee Amendment attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative McBrayer moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Lewis moved the adoption of the Committee Amendment to **HB 505.** Agreed.

On the roll call the vote was yeas 76—Alexander, Allen, Arnett, Blandford, Bleemel, Blume, Archie Brown, Edward G. Brown, Hershel Brown, Carroll, Carter, Chapman, Clapp, Clarke, Collins, Conn, Curlin, Walter Davis, Deskins, Donnermeyer, Dorris, Durham, Floyd, Freeman, Graves, Haney, John O. Hardin, L. T. Hardin, Head, Hinkle, Huff, Hughes, Isler, Keene, Keith, Kenton, Kessinger, Kidd, King, Kleier, Knuckles, Lewis, Lindsay, Louden, Lovins, McBrayer, McBride, McNamara, May, Mershon, Osborne, Parish, Paxton, Peak, Pollitte, Prather, Priddy, Rattliff, Ray, T. P. Reynolds, W. J. Reynolds, Rickert, Ruh, Salyers, Schmidt, Sharpe, Simmons, Swinford, Tobin, Van Horn, Wenz, Wheeler, Glenn White, John E. White, Wible, Yocom. Nays 4—Baker, Blythe, J. Davis, McCann.

HB 505 as amended was passed and the title agreed to.

Representative McBrayer moved that the vote by which **HB 505** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 434 taken from Orders of the Day and ordered read at length for the third time. Representative McBrayer moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

On the roll call the vote was yeas 63—Alexander, Allen, Arnett, Blandford, Bleemel, Blume, Archie Brown, Edward G. Brown, Hershel Brown, Bruce, Carroll, Carter, Chapman, Clarke, Conn, Curlin, Deskins, Donnermeyer, Dorris, Freeman, Graves, Haney, John O. Hardin, Hinkle, Hughes, Isler, Keene, Keith, Kleier, Lewis, Lovins, McBrayer, McBride, McCann, McKinney,

Massey, May, Mershon, Mitchell, Murphy, Osborne, Parish, Paxton, Peak, Pollitte, Prather, Priddy, Reed, Russell Reynolds, Roberts, Ruh, Salyers, Sharpe, Siemens, Stuart, Swinford, Tobin, Wells, Wenz, Glenn White, Wible, Wright, Yocom. Nays 15—Baker, J. Davis, W. Davis, DeMarcus, Durham, L. Hardin, Huff, Kessinger, King, W. J. Reynolds, Simmons, Van Horn, West, Wheeler, J. White.

HB 434 was passed and the title agreed to.

Representative McBrayer moved that the vote by which **HB 434** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 11, with Committee Amendment attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative McBrayer moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Hinkle moved the adoption of the Committee Amendment to **HB 11.** Agreed.

On the roll call the vote was yeas 89—Alexander, Arnett, Baker, Bartley, Blandford, Bleemel, Archie Brown, Edward G. Brown, Hershel Brown, Carroll, Carter, Chapman, Clapp, Clarke, Conn, Curlin, James A. Davis, Walter Davis, DeMarcus, Deskins, Donnermeyer, Dorris, Durham, Floyd, Graves, Haney, John O. Hardin, L. T. Hardin, Head, Hinkle, Huff, Hughes, Isler, Keene, Keith, Kenton, Kessinger, Kidd, King, Kleier, Knuckles, Lewis, Lindsay, Louden, Lovins, McBrayer, McBride, McCann, McNamara, Massey, May, Mershon, Mitchell, Murphy, Nett, Osborne, Parish, Paxton, Peak, Pollitte, Prather, Priddy, Rattliff, Ray, Reed, Russell Reynolds, T. P. Reynolds, W. J. Reynolds, Rickert, Roberts, Ruh, Salyers, Schmidt, Sharpe, Siemens, Simmons, Stuart, Swinford, Tobin, Van Horn, Wells, Wenz, West, Wheeler, Glenn White, John E. White, Wible, Wright, Yocom. Nays 0.

HB 11 as amended was passed and the title agreed to.

Representative McBrayer moved that the vote by which **HB 11** as amended was passed be reconsidered and said motion be postponed indefinitely. Agreed.

Representative McBrayer moved that Rules be suspended for the purpose of making a motion. Agreed.

Representative McBrayer moved that **HJR 68** be recommitted to the Committee on Rules. Agreed.

Orders of the Day (Continued)

HB 161 taken from Orders of the Day and ordered read at length for the third time. Representative McBrayer moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

On the roll call the vote was yeas 94—Alexander, Allen, Arnett, Baker, Bartley, Blanford, Bleemel, Blume, Blythe, Archie Brown, Edward G. Brown, Hershel Brown, Bruce, Carter, Chapman, Clapp, Clarke, Collins, Conn, Curlin, Walter Davis, DeMarcus, Deskins, Donnermeyer, Dorris, Durham, Floyd, Freeman, Graves, Haney, John O. Hardin, L. T. Hardin, Head, Hinkle, Huff, Hughes, Isler, Keene, Keith, Kenton, Kessinger, Kidd, King, Kleier, Knuckles, Lewis, Lindsay, Louden, Lovins, McBrayer, McBride, McCann, McKinney, McNamara, Massey, May, Mershon, Miller, Mitchell, Murphy, Osborne, Parish, Paxton, Peak, Pollitte, Prather, Priddy, Rattliff, Ray, Reed, Russell Reynolds, T. P. Reynolds, W. J. Reynolds, Rickert, Roberts, Ruh, Salyers, Schmidt, Sharpe, Siemens, Simmons, Stuart, Swinford, Tobin, Van Horn, Wells, Wenz, West, Wheeler, Glenn White, John E. White, Wible, Wright, Yocom. Nays 0.

HB 161 was passed and the title agreed to.

Representative McBrayer moved that the vote by which **HB 161** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 253 taken from Orders of the Day and ordered read at length for the third time. Representative McBrayer moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

On the roll call the vote was yeas 96—Alexander, Allen, Arnett, Baker, Bartley, Blandford, Bleemel, Blume, Blythe, Archie Brown, Edward G. Brown, Hershel Brown, Bruce, Carter, Chap-

man, Clapp, Clarke, Collins, Conn, Curlin, James A. Davis, Walter Davis, DeMarcus, Deskins, Donnermeyer, Dorris, Durham, Floyd, Freeman, Graves, Haney, John O. Hardin, L. T. Hardin, Head, Hinkle, Huff, Hughes, Isler, Keene, Keith, Kenton, Kessinger, Kidd, King, Kleier, Knuckles, Lewis, Lindsay, Louden, Lovins, McBrayer, McBride, McCann, McKinney, McNamara, Massey, May, Mershon, Miller, Mitchell, Murphy, Nett, Osborne, Parish, Paxton, Peak, Pollitte, Prather, Priddy, Rattliff, Ray, Reed, Russell Reynolds, T. P. Reynolds, W. J. Reynolds, Rickert, Roberts, Ruh, Salyers, Schmidt, Sharpe, Siemens, Simmons, Stuart, Swinford, Tobin, Van Horn, Wells, Wenz, West, Wheeler, Glenn White, John E. White, Wible, Wright, Yocom. **Nays 0.**

HB 253 was passed and the title agreed to.

Representative McBrayer moved that the vote by which **HB 253** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 322 taken from Orders of the Day and ordered read at length for the third time. Representative McBrayer moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

On the roll call the vote was yeas 82—Alexander, Allen, Arnett, Bleemel, Blume, Archie Brown, Edward G. Brown, Hershel Brown, Bruce, Carter, Chapman, Clapp, Clarke, Collins, Conn, Curlin, James A. Davis, Walter Davis, DeMarcus, Deskins, Donnermeyer, Durham, Floyd, Freeman, Graves, Haney, John O. Hardin, L. T. Hardin, Head, Hinkle, Huff, Hughes, Isler, Keene, Kenton, Kidd, Kleier, Knuckles, Lewis, Lindsay, Louden, Lovins, McBrayer, McBride, McCann, McKinney, McNamara, Massey, May, Mershon, Miller, Mitchell, Murphy, Nett, Parish, Paxton, Peak, Pollitte, Prather, Priddy, Rattliff, Ray, Reed, Russell Reynolds, T. P. Reynolds, W. J. Reynolds, Rickert, Roberts, Ruh, Salyers, Sharpe, Simmons, Swinford, Tobin, Van Horn, Wells, Wenz, West, Wheeler, Wible, Wright, Yocom. Nays 6—Baker, Bartley, Blandford, Keith, Osborne, Stuart.

HB 322 was passed and the title agreed to.

Representative McBrayer moved that the vote by which **HB 322** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 384 taken from Orders of the Day and ordered read at length for the third time. Representative E. G. Brown moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

On the roll call the vote was yeas 87—Alexander, Allen, Arnett, Baker, Bartley, Blandford, Bleemel, Blume, Blythe, Archie Brown, Edward G. Brown, Hershel Brown, Bruce, Carter, Chapman, Clarke, Collins, Walter Davis, DeMarcus, Deskins, Donnermeyer, Dorris, Durham, Floyd, Graves, Haney, John O. Hardin, L. T. Hardin, Head, Hinkle, Hughes, Isler, Keene, Keith, Kenton, Kessinger, Kidd, King, Kleier, Knuckles, Lewis, Lindsay, Louden, Lovins, McBrayer, McBride, McCann, McKinney, McNamara, Massey, May, Mershon, Miller, Mitchell, Murphy, Nett, Osborne, Parish, Paxton, Pollitte, Prather, Priddy, Ray, Reed, Russell Reynolds, T. P. Reynolds, W. J. Reynolds, Rickert, Roberts, Ruh, Salyers, Schmidt, Sharpe, Siemens, Simmons, Swinford, Tobin, Van Horn, Wells, Wenz, West, Wheeler, Glenn White, John E. White, Wible, Wright, Yocom. Nays 0.

HB 384 was passed and the title agreed to.

Representative E. G. Brown moved that the vote by which **HB 384** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 323 taken from Orders of the Day and ordered read at length for the third time. Representative McBrayer moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

On the roll call the vote was yeas 56—Alexander, Blandford, Bleemel, Edward G. Brown, Bruce, Chapman, James A. Davis, Walter Davis, DeMarcus, Donnermeyer, Durham, Graves, Haney, John O. Hardin, Head, Hinkle, Hughes, Isler, Keith, Kenton, Kessinger, King, Kleier, Lewis, Lindsay, Lovins, McBrayer, McBride, McCann, Massey, May, Miller, Mitchell, Murphy, Osborne, Peak, Prather, Priddy, Reed, Russell Reynolds, T. P. Reynolds, W. J. Reynolds, Rickert, Roberts, Ruh, Siemens, Simmons, Swinford, Tobin, Van Horn, Wells, Wenz, Glenn White, John E. White, Wible, Yocom. Nays 17—Bartley, A. Brown, Collins, Floyd, Freeman, L. Hardin, Huff, Knuckles, McKinney, Nett, Parish, Paxton, Pollitte, Ray, Sharpe, West, Wright.

HB 323 was passed and the title agreed to.

Representative McBrayer moved that the vote by which **HB 323** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

Representative Stuart filed an amendment to **HB 610.**

HB 356 taken from Orders of the Day and ordered read at length for the third time. Representative McBrayer moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Yocom moved the adoption of the Committee Substitute for **HB 356.** Agreed.

On the roll call the vote was yeas 69—Alexander, Allen, Arnett, Blandford, Blume, Edward G. Brown, Bruce, Carter, Chapman, Clapp, Clarke, Conn, Curlin, Deskins, Donnermeyer, Dorris, Graves, Haney, John O. Hardin, Head, Hinkle, Hughes, Isler, Keene, Keith, Kenton, Kidd, Kleier, Knuckles, Lewis, Lindsay, Lovins, McBrayer, McBride, McCann, McNamara, May, Mershon, Miller, Mitchell, Murphy, Nett, Parish, Paxton, Peak, Pollitte, Prather, Priddy, Rattliff, Ray, Russell Reynolds, T. P. Reynolds, W. J. Reynolds, Rickert, Roberts, Ruh, Salyers, Siemens,, Simmons, Swinford, Tobin, Van Horn, Wenz, West, Wheeler, Glenn White, Wible, Wright, Yocom. Nays 13—Baker, Bartley, A. Brown, DeMarcus, Floyd, L. Hardin, Huff, Kessinger, King, McKinney, Osborne, Schmidt, Stuart.

HB 356 as amended was passed and the title agreed to.

Representative McBrayer moved that the vote by which **HB 356** as amended was passed be reconsidered and said motion be postponed indefinitely. Agreed.

Representative McBrayer moved that the House discontinue work in Orders of the Day and continue with Reference of Bills and Resolutions, Introduction of Bills and Resolutions and Announcements. Agreed.

Reference of Bills and Resolutions

The Committee on Committees has referred the following Bills and Resolutions:

Agriculture and Natural Resources: **HB 711.**

Appropriations and Revenue: **HB 704, HB 710, HB 712, HB 716.**

Banking and Insurance: **HB 705, HB 708.**

Cities: **HB 713.**

Counties and Special Districts: **SB 288.**

Education: **HB 707, SB 215.**

Health and Welfare: **SB 226.**

Judiciary: **HB 709, HB 714, SB 12, SB 207, SB 261.**

Labor and Industry: **HB 706.**

Public Utilities: **HB 703.**

State Government: **HB 715, HB 717, HR 90, HR 91, SB 188, SB 221, SB 222, SB 241.**

Rules: **HR 88, HR 89.**

Introduction of Bills and Resolutions (Continued)

HB 728, by Representative Blythe: AN ACT relating to taxation of motion pictures.

HB 729, by Representative Blythe: AN ACT to update the Kentucky Revised Statutes by deleting certain obsolete and unused laws.

Announcements

The Clerk announced a meeting of the Committee on Judiciary for March 10, 1970, 10:00 a.m., Room 305.

The Clerk announced the following Bills and Resolutions were posted for consideration:

Cities: **SB 177, SB 186, SB 213, SB 223, HB 457, HB 555.** (Room 403, March 10, 1970, on adjournment)

Judiciary: **SB 268, SB 35** and **HB 507.** (Room 305, March 10, 1970, 10:00 a.m.)

Banking and Insurance: **HB 705.** (Room 402, March 10, 1970, 9:30 a.m.)

Labor and Industry: **HB 508, HB 359, HB 545, HB 674, SB 6, SB 182.** (Room 401, March 10, 1970, 9:30 a.m.)

Education: **HB 716.** (Room 401, March 10, 1970, on adjournment)

Appropriations and Revenue: **SB 195, SB 231, SB 259, HB 422.** (Room 402, March 10, 1970, on adjournment)

Health and Welfare: **SB 7, HB 523, HB 568.** (Room 401, March 11, 1970, 10:00 a.m.)

Recess

Representative McBrayer moved that the House recess until 7:30 p.m. Agreed.

At the appointed hour, the Speaker resumed the Chair and called the House to order.

Report on Enrolled Bills

The Committee on Enrollment reported **SB 147** had been examined and found correctly enrolled. **SB 147** read at length, compared and signed in open session by the Speaker. Ordered delivered to the Senate.

Report of Committees

The Committee on Appropriations and Revenue reported **HB 678** with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 678, AN ACT relating to travel expenses and per diem allowances for state police officers.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Section 16.100 of the Kentucky Revised Statutes is amended to read as follows:

(1) The Commissioner may approve vouchers in payment of expenses, including travel, lodging and meals incurred by officers and civilians of the department in the discharge of their duties, and such vouchers shall be audited and paid out of the department's appropriation in the manner required by law.

(2) The Commissioner may, with the approval of the Commissioner of Finance, approve payment of a per diem allowance for officers of the department payable in a fixed sum for each day the officer is on duty. The per diem allowance herein provided shall not be payable when the officer is on travel status as provided by section (1) of this act.

The Committee on Health and Welfare reported **HB 593** and **SB 70** with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 593, AN ACT relating to hospitalization of mentally ill and mentally retarded persons.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Section 202.135 of the Kentucky Revised Statutes is amended to read as follows:

(1) Proceedings for involuntary hospitalization of an individual for periods of time in excess of seven-day emergency orders or sixty-day observation orders may be initiated by the filing of a written application with the circuit court by a friend, relative, spouse or guardian of the individual, or by an authorized staff physician of a hospital or institution in which such individual is residing, or by any other physician, or health officer. The petition shall set forth:

(a) The name and residence of the person concerning whom the petition is filed;

(b) The name and residence of the parents, if living, and if known to the petitioner, or of his legal guardian, if any, and if known to the petitioner;

(c) The name and residence of the husband or wife, if any, and if known to the petitioner;

(d) The name and residence of the person having custody of such person, or, if no such person is known, the name and residence of a near relative, or that such person is unknown;

(e) Such other information as may be prescribed by the commissioner.

(2) Upon receipt of an application the court shall give notice thereof to the proposed patient, to his legal guardian, if any, and to his spouse, parents, and nearest known other relative or friend. In the absence of the circuit judge, the county judge may do all things necessary to accomplish the purposes of this section.

(3) As soon as practicable after notice of the commencement of proceedings is given, the court shall appoint physicians to examine the proposed patient and certify to the court their findings as to the mental condition of the proposed patient and his need for observation, care or treatment in a hospital. The examination shall be held at a hospital or other medical facility or at any other suitable place not likely to have a harmful effect on the patient's health.

(4) If the certificate of the two appointed physicians is to the effect that the proposed patient is not mentally ill, the court may, without taking any further action, terminate the proceedings and dismiss the application; otherwise, it shall forthwith fix a date and give notice of a hearing to be held not less than five nor more than fifteen days from the receipt of the report.

(5) The proposed patient, the applicant and all other persons to whom notice is required to be given shall be afforded an opportunity to appear at the hearing to testify and to present and cross-examine witnesses. The court may in its discretion receive the testimony of any other person. The proposed patient shall not be required to be present if it appears from the oath of the quali-

fied examiners appointed by the court that they have examined him and that they believe his condition is such that it will be unsafe or unwise to bring him into court. The hearing shall be conducted in as informal a manner as may be consistent with orderly procedures and in a physical setting not likely to have a harmful effect on the mental health of the proposed patient. The patient shall be represented at this hearing by an attorney. *The court shall impanel a jury if the proposed patient requests, otherwise the court shall hold the hearing without a jury in chambers.*

(6) If upon completion of the hearing and consideration of the record the court finds that the proposed patient is: (a) mentally ill, and (b) because of his illness probably will cause injury to himself or others if permitted to remain at liberty, or (c) because of his illness lacks sufficient insight or capacity to make responsible decisions with respect to his hospitalization, it shall order him to a hospital for an indeterminate period.

Section 2. Section 202.137 of the Kentucky Revised Statutes is amended to read as follows:

The certificate *or certification referred to in KRS 202.100, 202.115, 202.135 and 202.210* [furnished to the courts by physicians under the provisions of KRS Chs. 202.203 or 210] shall be in the form prescribed by the department. The certificate shall state that the defendant has been examined by each of the examining physicians making the certificate within three days prior to the date of the certificate. It shall state the facts and circumstances upon which the judgment of the examining physicians is based, and shall be sworn to before a notary or the clerk or judge of the court.

Section 3. Section 202.215 of the Kentucky Revised Statutes is amended to read as follows:

The hospital may refuse to receive any person upon an order of involuntary hospitalization if the papers presented with such person do not comply with the provisions of this chapter *or if it has not received notification of the order of involuntary hospitalization as provided in KRS 202.208.*

Section 4. Section 208.460 of the Kentucky Revised Statutes is amended to read as follows:

If it appears that a child committed to the department is mentally ill or defective, the department may *apply on his behalf for his admission and may consent to his admission* [commit him] for a period of observation not to exceed *sixty* [thirty-five] days, to *the Frankfort State Hospital and School,* [a state mental hospital or to an institution operated by the Department of Mental Health, or to] a public hospital having a psychopathic ward or facilities suitable for the observation of mental conditions, *or to any other facility designated by the Department of Mental Health for observation of mental conditions.* If it appears from such observations that the child requires treatment or hospitalization for mental illness or defect, the department shall cause proceedings to be instituted *pursuant to the appropriate provisions of KRS Ch. 202* [under the statutes governing inquests concerning mental condition, and if the child is committed to a mental hospital or to an institution operated by the Department of Mental Health he shall automatically be discharged from his commitment to the department. If facilities are not available to receive a child in a state mental hospital or an institution operated by the Department of Mental Health, the department may retain custody of the child for a reasonable time or return the child to the county of the court which committed the child to the department.]

Section 5. Acts 1968, c. 200, §2 is repealed.

SB 70, AN ACT relating to medical assistance for certain needy persons, providing for optometric services.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Section 205.510 of the Kentucky Revised Statutes is amended to read as follows:

As used in KRS 205.510 to 205.610, 205.991 and 211.106, unless the context clearly requires a different meaning:

(1) "Council" means the Advisory Council for Medical Assistance;

(2) "Dentist" means a person authorized to practice dentistry under laws of the Commonwealth;

(3) "Federal-state medical care fund" means a trust and agency fund established, maintained, and operated by the De-

partment of Economic Security as an arrangement to meet the cost of medical care for public assistance recipients and recipients of medical assistance for the aged and into which payments are made in behalf of each public assistance recipient and recipient of medical assistance for the aged covered by the fund. Such fund shall be irrevocable and shall not revert to the General Fund notwithstanding any provisions of the Budget Act of 1960 to the contrary.

(4) "Medical care" as used in this article means essential medical, surgical, dental, *optometric,* and nursing services, in the home, office, clinic, or other suitable places, which are provided or prescribed by physicians, *optometrists* or dentists licensed to render such service, including drugs and medical supplies, appliances, laboratory, diagnostic and therapeutic services, nursing home and convalescent care, hospital care as defined in KRS 205.560 (1) (a), and such other essential medical services and supplies as may be prescribed by such persons. *However, this Act does not authorize optometrists to perform any services other than those authorized by Chapter 320 of the Kentucky Revised Statutes;*

(5) "Nurses" means persons authorized to practice professional nursing under the laws of the Commonwealth;

(6) "Nursing Home" means a facility which provides routine medical care in which physicians regularly visit patients, which provide nursing services and procedures employed in caring for the sick which require training, judgment, technical knowledge, and skills beyond that which the untrained person possesses, and which maintains complete records on patient care, and which is licensed pursuant to the provisions of KRS 216.400;

(7) *"Optometrist" means a person authorized to practice optometry under the laws of the Commonwealth;*

(8) "Pharmacist" means a person authorized to practice pharmacy under the laws of the Commonwealth;

(9) "Physician" means a person authorized to practice medicine or osteopathy under the laws of the Commonwealth;

(10) "Public Assistance Recipient" means a person who has been certified by the Division of Public Assistance of the Depart-

ment of Economic Security as being eligible for, and a recipient of, public assistance under the provisions of KRS 205.010 to 205.340 or a needy person who is living with and essential to such recipient and is recognized in the determination of budgetary requirements for such payment;

(11) "Recipient of Medical Assistance for the Aged" means an aged person sixty-five years of age and over and one who resides in this state (within the meaning of regulations issued by the Commissioner of Economic Security in conformity with federal requirements), and who is unable through his own income and resources to provide himself with essential medical care without depriving himself of necessary food, shelter, clothing, or the other necessities of life and who does not fall within the definition of "Public Assistance Recipient" as defined in subsection (10) of this section and who has been certified by the Division of Public Assistance of the Department of Economic Security as meeting the requirements of need;

(12) "Medically Indigent Patient" means any person domiciled in this state treated in a nonprofit regional hospital and who is in need of hospital care but who is unable through his own resources or through resources available to him to pay the hospitalization costs because of his economic condition and personal responsibilities and who is not eligible for, nor a recipent of medical care, under the definition of "Public Assistance Recipient" or "Recipient of Medical Assistance for the Aged," as set forth in subsections (10) and (11) of this section;

(13) "Nonprofit regional hospital corporation" means a nonprofit hospital corporation organized under and pursuant to the provisions of KRS 205.514 and in accordance with the method and manner prescribed by KRS Chapter 273 for the organization of nonprofit corporations for religious, charitable or educational purposes;

(14) "Vendor Payment" means a payment for medical care which is paid by the Department of Economic Security directly to the authorized person or institution which rendered medical care to a public assistance recipient or medical care to a recipient of medical assistance to the aged.

Section 2. Section 205.540 of the Kentucky Revised Statutes is amended to read as follows:

(1) An Advisory Council for Medical Assistance shall be established in the state government. The Council shall consist of *twelve* [eleven] members. The Commissioner of Health and the Commissioner of the Department of Economic Security shall be ex officio members. The other *ten* [nine] members of the council shall be appointed by the Governor and shall hold office for a term of four years and until their successors are appointed and qualify, except that the members appointed to fill the first vacancy occurring for a term beginning on July 1, 1960, shall be as follows: Two members shall be appointed for one year, two for two years, two for three years, and three for four years, and the respective terms of the first members shall be designated by the Governor at the time of their appointments. *The term of the first optometrist member shall begin July 1, 1970.* Upon the expiration of the respective terms of the members first appointed, the term of each successor shall be for four years or until his successor is appointed and qualified. Appointments shall be made one from each list of three nominees submitted by the following organizations: the Kentucky State Medical Association; the Kentucky Dental Association; the Kentucky Hospital Association; the Kentucky Pharmaceutical Association; the Kentucky State Association of Registered Nurses; *and the Kentucky Optometric Association.* The other four appointive members shall be intelligent and discreet citizens residing within the Commonwealth, who are not members of professional groups which are recipients of vendor payments. No nominee or member of the council shall be a stockholder or have any financial interest in any hospital, nursing home, or related institution.

(2) Each appointive member of the council shall serve without compensation but shall be entitled to reimbursement for his actual and necessary expenses in carrying out his duties.

(3) Vacancies shall be filled for the unexpired term in the same manner as original appointments, maintaining [original] representations *as set out in subsection (1).*

(4) The council shall elect a chairman, vice-chairman, and secretary from among its members at its first regular meeting in each fiscal year and shall adopt rules governing its proceedings.

The council shall hold a meeting at least once every three months and such other special or regular meetings as may be desired.

Section 3. Section 205.560 of the Kentucky Revised Statutes is amended to read as follows:

(1) The scope of medical care for which the Department of Economic Security undertakes to pay shall be designated and limited by regulations promulgated by said department, pursuant to the provisions hereof. The selection of the class or classes of medical care shall be recommended by the council to the Commissioner of the Department of Economic Security and the Commissioner of the Department of Health after taking into consideration, among other things, the amount of federal and state funds available, the most essential needs of public assistance recipients and recipients of medical assistance for the aged, and the meeting of such need on a basis insuring the greatest amount of medical care as defined in KRS 205.510 consonant with the funds available including but not limited to the following categories:

(a) Hospital care, including drugs, and medical supplies and services during any period of actual hospitalization;

(b) Nursing home care, including medical supplies and services, and drugs during confinement therein on prescription of a physician or dentist;

(c) Drugs, nursing care, and medical supplies and services during the time when a recipient is not in a hospital but is under treatment and on the prescription of a physician or dentist;

(d) Physician, dental and *optometric* services.

(2) Payments for hospital care, nursing home care, and drugs or other medical, *ophthalmic* and dental supplies shall be on bases which relate the amount of the payment to the cost of providing such services or supplies. It shall be one of the functions of the council to make recommendations to the Department of Health with respect to such bases for payment.

(3) No vendor payment shall be made unless the class and type of medical care rendered and the cost basis therefor has first been designated by regulation.

(4) The range of medical care benefit standards provided and the quality and quantity standards and the methods for

determining cost formulae for vendor payments within each category of public assistance and other recipients shall be uniform for the entire state, and shall be designated by regulation promulgated within the limitations established by the Medical Assistance Act of 1960, as amended herein, and federal law, including the Social Security Amendments of 1960. The amount of payments for units of services need not be uniform for the entire state but may vary from county to county and from city to city, as well as among hospitals, based on the prevailing cost of medical care in such locale and other local economic and geographic conditions.

(5) Nothing in this section shall require that any payment be made for optometric services or ophthalmic supplies.

Section 4. Section 205.590 of the Kentucky Revised Statutes is amended to read as follows:

(1) The following technical advisory committees shall be established for the purpose of acting in an advisory capacity to the council with respect to the administration of KRS 205.510 to 205.610, 205.991 and 211.106;

(a) A Technical Advisory Committee on Physician Services consisting of five physicians appointed by the Council of the Kentucky State Medical Association;

(b) A Technical Advisory Committee on Hospital Care consisting of five hospital administrators appointed by the Board of Trustees of the Kentucky Hospital Association;

(c) A Technical Advisory Committee on Dental Care consisting of five dentists appointed by the Kentucky Dental Association;

(d) A Technical Advisory Committee on Nursing Service consisting of five nurses appointed by the Board of Directors of the Kentucky State Association of Registered Nurses;

(e) A Technical Advisory Committee on Drugs consisting of five pharmacists appointed by the Kentucky Pharmaceutical Association;

(f) A Technical Advisory Committee on Nursing Home Care consisting of five members appointed by the Kentucky Association of Nursing Homes.

(g) *A Technical Advisory Committee on Optometric Care consisting of five members appointed by the Kentucky Optometric Association.*

(2) The members of the technical advisory committees shall serve until their successors are appointed and qualified.

Section 5. Section 205.600 of the Kentucky Revised Statutes is amended to read as follows:

The Commissioner of Health shall appoint a county medical review committee for each county of the Commonwealth consisting of three physicians, *an optometrist* and a dentist, the duties, responsibilities and terms of office of which shall be determined by the Council. Appointments shall be made from a list of three nominees for each appointment submitted by the Kentucky State Medical Association, *the Kentucky Optometric Association* and the Kentucky Dental Association, respectively.

The Committee on Agriculture and Natural Resources reported **HR 86** with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HJR 86, A JOINT RESOLUTION creating the Simon Kenton State Shrine Commission.

WHEREAS, Simon Kenton was one of Kentucky's finest pioneers and frontiersman; and

WHEREAS, he moved his family and kinsmen to Mason County, Kentucky, in 1783 and settled Kenton's Station; and

WHEREAS, he thereafter became an untiring guardian of the state's northern boundary; and

WHEREAS, the General Assembly believes that new state parks and shrines should be established only after the most careful examination and consideration.

NOW, THEREFORE,

Be it resolved by the General Assembly of the Commonwealth of Kentucky:

Section 1. There is hereby created the Simon Kenton State Shrine Commission. The commission shall be composed of the Commissioner of the Commonwealth of Kentucky, Department of Parks and five residents of Mason County who shall be appointed by the Governor. Members shall serve until July 1, 1971, at which time the commission shall dissolve. Members shall receive no salary or expenses for the performance of their duties. The Commissioner of Parks shall act as temporary chairman and shall call the first meeting of the commission no later than July 1, 1970, at which meeting a permanent chairman shall be elected by the members.

Section 2. The commission shall study the need for a state shrine to be located in Mason County commemorating Simon Kenton, and, if it finds a need for such a shrine to exist, shall report that need to the 1972 regular session of the General Assembly, together with one or more recommended sites for the shrine, the estimated cost of establishing a shrine at each recommended site, and such other recommendations as they deem appropriate. The government of Mason County and the Department of Parks shall cooperate with the commission in every way practicable.

Orders of the Day (Continued)

HB 417, with Committee Amendment attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative McBrayer moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Blume moved the adoption of the Committee Amendment to **HB 417.** Agreed.

On the roll call the vote was yeas 81—Alexander, Allen, Arnett, Baker, Blandford Bleemel, Blume, Blythe, Archie Brown, Edward G. Brown, Hershel Brown, Bruce, Carroll, Carter, Chapman, Clapp, Clarke, Collins, Conn, Curlin, James A. Davis, DeMarcus, Deskins, Dorris, Durham, Floyd, Freeman, Graves, Haney, L. T. Hardin, Head, Hinkle, Holloway, Huff, Hughes, Isler, Keene, Keith, Kenton, Kessinger, Kidd, King, Kleier,

Knuckles, Lewis, Lindsay, Louden, Lovins, McBrayer, McBride, McCann, McNamara, Massey, May, Mershon, Mitchell, Nett, Osborne, Parish, Paxton, Peak, Pollitte, Prather, Rattliff, Reed, T. P. Reynolds, W. J. Reynolds, Rickert, Ruh, Salyers, Schmidt, Sharpe, Simmons, Swinford, Van Horn, Wenz, West, Wheeler, Glenn White, John E. White, Wible. Nays 1—Tobin.

HB 417 as amended was passed and the title agreed to.

Representative McBrayer moved that the vote by which **HB 417** as amended was passed be reconsidered and said motion be postponed indefinitely. Agreed.

Representative Dorris moved that the Rules be suspended for the purpose of making a motion. Agreed.

Motion

Representative Dorris moved to take **HR 89** from the Committee on Rules and post the same for passage in Orders of the Day. Agreed.

Representative Dorris moved the adoption of the following **HR 89:**

HR 89, A RESOLUTION requesting the Kentucky Department of Highways to name a roadside park in honor of Paul Everett Young, Sr.

WHEREAS, the system of roadside parks is an economical yet attractive convenience that Kentucky highways afford the traveling public in general, and out-of-state tourists in particular; and

WHEREAS, these parks that dot the Commonwealth symbolize the Highway Department's concern for the comfort and safety of motorists, as well as proclaim a public policy dedicated to roadside beauty and conservation; and

WHEREAS, one of the first roadside parks in this statewide system was built on U. S. 79, 7 miles south of Russellville, largely through the energy and interest of Paul Everett Young, Sr. of Logan County, a veteran of 12 years of the Kentucky House of Representatives whose career began in 1956; and

WHEREAS, the dedication to roadside beauty and conservation of this loyal and long-time law maker, banker, and farmer was an inspiration to the people of Kentucky; and

WHEREAS, Paul Everett Young, Sr. died October 27, 1966, at the age of 61, following a distinguished career as county official, member of the House of Representatives of Kentucky, farmer, and banker;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

Section 1. That the House of Representatives, urgently requests the Highway Department of Kentucky to name the roadside park on U. S. 79, 7 miles south of Russellville, the Paul Everett Young, Sr. Roadside Park.

Section 2. That a suitable plaque be erected at the park, citing the dedicated interest of Paul Everett Young, Sr. in highway beautification in general and roadside parks in particular;

Section 3. That copies of this resolution be mailed by the Clerk of the House to the Kentucky Commissioner of Highways; the chief engineer of the Kentucky Highway Department; the secretary of Kentucky Historical Society; and to the honoree's widow, Mrs. Paul E. Young, Sr., R. F. D. 1, Allensville, Kentucky, 42204.

On the roll call the vote was yeas 88—Alexander, Allen, Arnett, Baker, Blandford, Bleemel, Blume, Blythe, Archie Brown, Edward G. Brown, Hershel Brown, Bruce, Carroll, Carter, Chapman, Clapp, Clarke, Collins, Conn, Curlin, James A. Davis, DeMarcus, Deskins, Donnermeyer, Dorris, Durham, Floyd, Graves, Haney, John O. Hardin, L. T. Hardin, Head, Hinkle, Holloway, Huff, Hughes, Isler, Keene, Keith, Kenton, Kessinger, Kleier, Knuckles, Lewis, Lindsay, Louden, Lovins, McBrayer, McBride, McCann, McKinney, McNamara, Massey, May, Mershon, Mitchell, Murphy, Nett, Osborne, Parish, Paxton, Peak, Pollitte, Prather, Priddy, Rattliff, Ray, Reed, T. P. Reynolds, W. J. Reynolds, Rickert, Ruh, Salyers, Schmidt, Sharpe, Siemens, Simmons, Swinford, Tobin, Van Horn, Wells, Wenz, West, Wheeler, Glenn White, John E. White, Wible, Wright. Nays 0.

HR 89 was adopted.

Orders of the Day (Continued)

HB 421, by way of Committee Substitute, taken from Orders of the Day and ordered read at length for the third time. Representative McBrayer moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Blume moved the adoption of the Committee Substitute for **HB 421.** Agreed.

On the roll call the vote was yeas 53—Arnett, Blandford, Blume, Carroll, Carter, Chapman, Clarke, Conn, Curlin, Dorris, Graves, Haney, John O. Hardin, Head, Hinkle, Huff, Hughes, Isler, Keene, Kenton, Kidd, Kleier, Lewis, Lindsay, Lovins, McBrayer, McBride, McCann, McNamara, Mershon, Nett, Parish, Paxton, Peak, Prather, Priddy, Reed, T. P. Reynolds, W. J. Reynolds, Rickert, Roberts, Ruh, Salyers, Simmons, Swinford, Tobin, Van Horn, Wenz, West, Wheeler, John E. White, Wible, Yocom. Nays 20—Alexander, Baker, A. Brown, H. Brown, Clapp, Collins, DeMarcus, Durham, L. Hardin, Keith, Kessinger, King, Knuckles, McKinney, Osborne, Rattliff, Schmidt, Sharpe, G. White, Wright.

HB 421, by way of Committee Substitute, was passed and the title agreed to.

Representative McBrayer moved that the vote by which **HB 421,** by way of Committee Substitute, was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 546 taken from Orders of the Day and ordered read at length for the third time. Representative McBrayer moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

On the roll call the vote was yeas 87—Alexander, Allen, Arnett, Baker, Blandford, Bleemel, Blume, Blythe, Archie Brown, Edward G. Brown, Hershel Brown, Bruce, Carroll, Carter, Chapman, Clarke, Collins, Conn, Curlin, James A. Davis, DeMarcus, Deskins, Donnermeyer, Durham, Floyd, Graves, Haney, John O. Hardin, L. T. Hardin, Head, Hinkle, Holloway, Huff, Hughes, Isler, Keene, Keith, Kenton, Kessinger, Kidd, King, Knuckles, Lewis, Lindsay, Louden, Lovins, McBrayer, McBride, McCann, McKinney, McNamara, Massey, May, Mershon, Mitchell,

Murphy, Nett, Osborne, Parish, Paxton, Peak, Pollitte, Prather, Priddy, Rattliff, Ray, Reed, T. P. Reynolds, W. J. Reynolds, Rickert, Ruh, Salyers, Schmidt, Sharpe, Simmons, Swinford, Tobin, Van Horn, Wells, Wenz, West, Wheeler, Glenn White, John E. White, Wible, Wright, Yocom. Nays 0.

HB 546 was passed and the title agreed to.

Representative McBrayer moved that the vote by which **HB 546** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 566 taken from Orders of the Day and ordered read at length for the third time. Representative McBrayer moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

On the roll call the vote was yeas 89—Alexander, Allen, Arnett, Baker, Bartley, Blandford, Bleemel, Blume, Archie Brown, Edward G. Brown, Hershel Brown, Bruce, Carroll, Carter, Chapman, Clapp, Clarke, Collins, Conn, Curlin, James A. Davis, DeMarcus, Deskins, Donnermeyer, Dorris, Durham, Floyd, Freeman, Graves, Haney, John O. Hardin, L. T. Hardin, Head, Hinkle, Holloway, Huff, Hughes, Isler, Keene, Keith, Kenton, Kessinger, King, Knuckles, Lewis, Lindsay, Louden, Lovins, McBrayer, McBride, McCann, McKinney, McNamara, Massey, May, Mershon, Mitchell, Murphy, Nett, Osborne, Parish, Paxton, Peak, Pollitte, Prather, Priddy, Rattliff, Ray, Reed, T. P. Reynolds, W. J. Reynolds, Rickert, Ruh, Salyers, Schmidt, Sharpe, Simmons, Swinford, Tobin, Van Horn, Wells, Wenz, West, Wheeler, Glenn White, John E. White, Wible, Wright, Yocom. Nays 0.

HB 566 was passed and the title agreed to.

Representative McBrayer moved that the vote by which **HB 566** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 581 taken from Orders of the Day and ordered read at length for the third time. Representative McBrayer moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

On the roll call the vote was yeas 85—Alexander, Allen, Arnett, Baker, Blandford, Bleemel, Blume, Blythe, Archie Brown,

Edward G. Brown, Hershel Brown, Bruce, Carroll, Carter, Chapman, Clarke, Collins, Conn, Curlin, James A. Davis, Deskins, Donnermeyer, Dorris, Durham, Floyd, Freeman, Graves, Haney, John O. Hardin, L. T. Hardin, Head, Hinkle, Holloway, Huff, Hughes, Isler, Keene, Kenton, King, Kleier, Knuckles, Lewis, Lindsay, Louden, Lovins, McBrayer, McBride, McCann, McKinney, McNamara, May, Mershon, Mitchell, Murphy, Nett, Osborne, Parish, Paxton, Peak, Pollitte, Prather, Priddy, Rattliff, Ray, Reed, T. P. Reynolds, W. J. Reynolds, Rickert, Roberts, Ruh, Salyers, Schmidt, Sharpe, Simmons, Swinford, Tobin, Van Horn, Wells, Wenz, West, Glenn White, John E. White, Wible, Wright, Yocom. Nays 3—Bartley, DeMarcus, Kessinger.

HB 581 was passed and the title agreed to.

Representative McBrayer moved that the vote by which **HB 581** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 600 taken from Orders of the Day and ordered read at length for the third time. Representative McBrayer moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

On the roll call the vote was yeas 81—Alexander, Allen, Arnett, Baker, Blandford, Bleemel, Blume, Blythe, Archie Brown, Edward G. Brown, Hershel Brown, Carroll, Carter, Chapman, Clarke, Collins, Conn, Curlin, James A. Davis, DeMarcus, Deskins, Dorris, Durham, Floyd, Graves, Haney, L. T. Hardin, Head, Hinkle, Huff, Hughes, Isler, Keene, Keith, Kenton, Kessinger, King, Kleier, Knuckles, Lewis, Lindsay, Lovins, McBrayer, McBride, McCann, McNamara, Massey, May, Mershon, Mitchell, Nett, Osborne, Parish, Paxton, Peak, Pollitte, Prather, Priddy, Rattliff, Ray, Reed, T. P. Reynolds, W. J. Reynolds, Rickert, Ruh, Salyers, Schmidt, Sharpe, Siemens, Simmons, Swinford, Tobin, Van Horn, Wenz, West, Wheeler, Glenn White, John E. White, Wible, Wright, Yocom. Nays 2—J. Hardin, Roberts.

HB 600 was passed and the title agreed to.

Representative McBrayer moved that the vote by which **HB 600** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 601 taken from Orders of the Day and ordered read at length for the third time. Representative McBrayer moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

On the roll call the vote was yeas 68—Alexander, Arnett, Baker, Blandford, Bleemel, Edward G. Brown, Hershel Brown, Carroll, Carter, Chapman, Collins, Conn, Curlin, Deskins, Donnermeyer, Dorris, Floyd, Graves, Haney, John O. Hardin, L. T. Hardin, Head, Hinkle, Hughes, Isler, Keene, Keith, Kenton, Kessinger, King, Kleier, Knuckles, Lewis, Lindsay, Louden, McBrayer, McCann, McNamara, May, Mershon, Mitchell, Murphy, Nett, Osborne, Parish, Paxton, Peak, Prather, Priddy, Rattliff, Reed, T. P. Reynolds, W. J. Reynolds, Rickert, Ruh, Salyers, Schmidt, Siemens, Swinford, Tobin, Van Horn, Wells, Wenz, Wheeler, Glenn White, John E. White, Wible, Yocom. Nays 8—A. Brown, DeMarcus, Durham, Holloway, McBride, McKinney, West, Wright.

HB 601 was passed and the title agreed to.

Representative McBrayer moved that the vote by which **HB 601** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

SB 30 taken from Orders of the Day and ordered read at length for the third time. Representative McBrayer moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative McBrayer moved the adoption of the Previous Question on **SB 30.**

On the roll call the vote was yeas 62—Alexander, Allen, Arnett, Bartley, Blandford, Bleemel, Blume, Archie Brown, Edward G. Brown, Bruce, Carroll, Carter, Chapman, Clapp, Collins, Conn, Curlin, James A. Davis, Deskins, Donnermeyer, Dorris, Graves, Haney, L. T. Hardin, Hinkle, Hughes, Isler, Keene, Keith, Kenton, Lewis, Louden, McBrayer, McBride, McKinney, McNamara, Massey, Mershon, Mitchell, Osborne, Parish, Pollitte, Prather, Priddy, Reed, T. P. Reynolds, W. J. Reynolds, Rickert, Roberts, Salyers, Sharpe, Siemens, Simmons, Tobin, Van Horn, Wells, Wenz, West, Wheeler, Glenn White, John E. White, Yocom. Nays 18—Baker, H. Brown, Clarke, J. Hardin, Head,

Huff, Kessinger, King, Knuckles, Lindsay, Lovins, McCann, Paxton, Peak, Ray, Ruh, Swinford, Wible.

The motion to adopt the Previous Question on **SB 30** was adopted.

On the roll call the vote was yeas 80—Alexander, Allen, Arnett, Baker, Bartley, Blandford, Bleemel, Blume, Blythe, Archie Brown, Edward G. Brown, Hershel Brown, Bruce, Carroll, Carter, Chapman, Clapp, Clarke, Collins, Conn, Curlin, James A. Davis, DeMarcus, Deskins, Donnermeyer, Durham, Floyd, Freeman, Graves, Haney, John O. Hardin, L. T. Hardin, Hinkle, Holloway, Hughes, Isler, Kenton, Kessinger, King, Kleier, Knuckles, Lewis, Louden, McBrayer, McBride, McKinney, McNamara, Massey, May, Mershon, Miller, Mitchell, Osborne, Paxton, Peak, Pollitte, Prather, Priddy, Ray, Reed, T. P. Reynolds, W. J. Reynolds, Ruh, Salyers, Schmidt, Sharpe, Siemens, Simmons, Swinford, Tobin, Van Horn, Wells, Wenz, West, Wheeler, Glenn White, John E. White, Wible, Wright, Yocom. Nays 10—Dorris, Head, Huff, Keith, Lindsay, Lovins, McCann, Nett, Parish, Rickert.

SB 30 was passed and the title agreed to.

Representative McBrayer moved that the vote by which **SB 30** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

Representative McBrayer moved that **HB 439, HB 577** and **HB 587** be deferred and that they retain their position in Orders of the Day. Agreed.

Representative McBrayer moved that the Rules be suspended for the purpose of receiving a communication. Agreed.

Communication

The following request was received from the Senate in regard to **SB 12:**

The Senate respectfully requests the return of Senate Bill 12 for the purpose of correcting an Amendment.

Representative McBrayer moved that **SB 12** be removed from the Committee on Judiciary and returned to the Senate. Agreed.

Orders of the Day (Continued)

Representative Blume moved that the motion to reconsider the vote by which **HB 421**, by way of Committee Substitute, was passed and to postpone said motion indefinitely be reconsidered. Agreed.

Representative Blume moved that the vote by which **HB 421**, by way of Committee Substitute, was passed be reconsidered. Agreed.

Representative J. Hardin moved the adoption of the following Amendment to the Committee Substitute for **HB 421**:

Amend printed copy of Committee Substitute House Bill 421 on page 14, lines 12-17, by:

deleting lines 12-17 in their entirety.

Agreed.

On the roll call the vote was yeas 59—Alexander, Allen, Blandford, Bleemel, Blume, Carroll, Carter, Clapp, Clarke, Collins, Conn, Curlin, Deskins, Donnermeyer, Dorris, Durham, Freeman, Graves, Haney, John O. Hardin, Head, Hinkle, Hughes, Isler, Keene, Kenton, Kleier, Lewis, Lovins, McBrayer, McBride, McCann, McNamara, Massey, May, Mershon, Murphy, Nett, Paxton, Peak, Pollitte, Prather, Priddy, Ray, Reed, T. P. Reynolds, W. J. Reynolds, Rickert, Ruh, Salyers, Siemens, Simmons, Swinford, Tobin, Van Horn, Wells, Wenz, Wible, Yocom; Nays 14—Baker, A. Brown, DeMarcus, L. Hardin, Keith, Kessinger, King, McKinney, Osborne, Rattliff, Schmidt, Sharpe, G. White, Wright.

HB 421, by way of Committee Substitute as amended, was passed, and the title agreed to.

Representative Blume moved that the vote by which **HB 421**, by way of Committee Substitute as amended, was passed be reconsidered and said motion be postponed indefinitely. Agreed.

SB 51 taken from Orders of the Day and ordered read at length for the third time. Representative McBrayer moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

On the roll call the vote was yeas 69—Alexander, Allen, Arnett, Baker, Blandford, Bleemel, Blume, Blythe, Edward G.

Brown, Hershel Brown, Bruce, Carroll, Clapp, Clarke, Collins, Conn, Curlin, DeMarcus, Deskins, Donnermeyer, Dorris, Durham, Floyd, Freeman, Graves, Haney, John O. Hardin, Head, Hinkle, Huff, Hughes, Isler, Keene, Keith, Kenton, Kessinger, Kidd, Kleier, Knuckles, Lewis, Lindsay, Lovins, McBrayer, McBride, McCann, McNamara, Massey, May, Murphy, Osborne, Paxton, Peak, Pollitte, Prather, Priddy, Rattliff, Reed, T. P. Reynolds, Rickert, Salyers, Schmidt, Siemens, Tobin, Van Horn, Wells, Wenz, West, Wheeler, John E. White. Nays 6—A. Brown, Sharpe, Swinford, G. White, Wible, Wright.

SB 51 was passed and the title agreed to.

Representative McBrayer moved that the vote by which **SB 51** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

SB 76 taken from Orders of the Day and ordered read at length for the third time. Representative McBrayer moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

On the roll call the vote was yeas 86—Alexander, Allen, Baker, Bartley, Blandford, Bleemel, Blume, Blythe, Archie Brown, Edward G. Brown, Hershel Brown, Bruce, Carroll, Carter, Chapman, Clapp, Clarke, Conn, Curlin, DeMarcus, Deskins, Donnermeyer, Dorris, Durham, Freeman, Graves, Haney, John O. Hardin, L. T. Hardin, Head, Hinkle, Huff, Isler, Keene, Keith, Kenton, Kessinger, Kidd, King, Kleier, Knuckles, Lewis, Lindsay, Louden, Lovins, McBrayer, McBride, McCann, McNamara, Massey, May, Mershon, Miller, Mitchell, Murphy, Nett, Osborne, Parish, Paxton, Peak, Pollitte, Prather, Priddy, Ray, Reed, T. P. Reynolds, W. J. Reynolds, Rickert, Roberts, Ruh, Salyers, Schmidt, Sharpe, Siemens, Simmons, Swinford, Tobin, Van Horn, Wenz, West, Wheeler, Glenn White, John E. White, Wible, Wright, Yocom. Nays 0.

SB 76 was passed and the title agreed to.

Representative McBrayer moved that the vote by which **SB 76** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

Senate Message

Announcing passage of **HB 114, HB 123, HB 49, SB 294, SB 320** and **SB 266.**

SB 116 taken from Orders of the Day and ordered read at length for the third time. Representative McBrayer moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

On the roll call the vote was yeas 88—Arnett, Baker, Bartley, Blandford, Bleemel, Blume, Blythe, Archie Brown, Edward G. Brown, Hershel Brown, Bruce, Carroll, Carter, Chapman, Clarke, Collins, Conn, Curlin, DeMarcus, Deskins, Donnermeyer, Dorris, Durham, Floyd, Freeman, Graves, Haney, John O. Hardin, L. T. Hardin, Head, Hinkle, Holloway, Huff, Hughes, Isler, Keene, Keith, Kenton, Kessinger, Kidd, King, Kleier, Knuckles, Lewis, Lindsay, Louden, Lovins, McBrayer, McBride, McCann, McKinney, McNamara, Massey, May, Mershon, Mitchell, Murphy, Nett, Osborne, Parish, Paxton, Peak, Pollitte, Prather, Priddy, Rattliff, Ray, Reed, T. P. Reynolds, W. J. Reynolds, Rickert, Roberts, Ruh, Schmidt, Sharpe, Siemens, Simmons, Swinford, Tobin, Van Horn, Wells, Wenz, West, Wheeler, Glenn White, John E. White, Wible, Yocom. Nays 0.

SB 116 was passed and the title agreed to.

Representative McBrayer moved that the vote by which **SB 116** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

SB 124 taken from Orders of the Day and ordered read at length for the third time. Representative McBrayer moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Wyatt moved the adoption of the following Amendment to **SB 124:**

Amend printed copy of Senate Bill 124 on page 1, line 3, by:

placing brackets "[]" around the word "seven" and inserting in front thereof the word *"eight"*

and on line 5, by placing brackets "[]" around the word "five" and inserting in front thereof the word *"six"*

and on page 1, line 11, by inserting after the word "physician" the words *"one of said appointive members shall be a dentist,"*

Agreed.

On the roll call the vote was yeas 91—Arnett, Baker, Bartley, Blandford, Bleemel, Blume, Blythe, Archie Brown, Edward G. Brown, Hershel Brown, Bruce, Carroll, Carter, Chapman, Clarke, Collins, Conn, Curlin, James A. Davis, DeMarcus, Deskins, Donnermeyer, Dorris, Durham, Floyd, Freeman, Graves, Haney, John O. Hardin, L. T. Hardin, Head, Hinkle, Holloway, Huff, Hughes, Isler, Keene, Keith, Kenton, Kessinger, Kidd, King, Kleier, Knuckles, Lewis, Lindsay, Louden, Lovins, McBrayer, McBride, McCann, McKinney, McNamara, Massey, May, Mershon, Mitchell, Murphy, Nett, Osborne, Parish, Paxton, Peak, Pollitte, Prather, Priddy, Rattliff, Ray, Reed, T. P. Reynolds, W. J. Reynolds, Rickert, Roberts, Ruh, Salyers, Schmidt, Sharpe, Siemens, Simmons, Swinford, Tobin, Van Horn, Wells, Wenz, West, Wheeler, Glenn White, John E. White, Wible, Wright, Yocom. Nays 0.

SB 124 as amended was passed and the title agreed to.

Representative McBrayer moved that the vote by which **SB 124** as amended was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 414, by way of Committee Substitute, taken from Orders of the Day and ordered read at length for the third time. Representative McBrayer moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Blythe moved the adoption of the Committee Substitute for **HB 414**. Agreed.

On the roll call the vote was yeas 81—Allen, Arnett, Baker, Blandford, Bleemel, Blume, Blythe, Archie Brown, Edward G. Brown, Hershel Brown, Bruce, Carroll, Chapman, Clarke, Collins, Conn, Curlin, James A. Davis, DeMarcus, Deskins, Donnermeyer, Dorris, Durham, Freeman, Graves, Haney, John O. Hardin, Head, Hinkle, Holloway, Huff, Hughes, Isler, Keene, Keith, Kenton, Kessinger, Kidd, King, Kleier, Knuckles, Lewis, Lovins, McBrayer, McBride, McCann, Massey, May, Mershon,

Miller, Mitchell, Murphy, Nett, Osborne, Parish, Paxton, Peak, Pollitte, Prather, Priddy, Rattliff, Ray, Reed, Rickert, Roberts, Ruh, Salyers, Schmidt, Simmons, Swinford, Tobin, Van Horn, Wells, Wenz, West, Wheeler, Glenn White, John E. White, Wible, Wright, Yocom. Nays 0.

HB 414, by way of Committee Substitute, was passed and the title agreed to.

Representative McBrayer moved that the vote by which **HB 414**, by way of Committee Substitute, was passed be reconsidered and said motion be postponed indefinitely. Agreed.

SB 212 taken from Orders of the Day and ordered read at length for the third time. Representative McBrayer moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

On the roll call the vote was yeas 82—Allen, Arnett, Baker, Bartley, Blandford, Bleemel, Blume, Archie Brown, Edward G. Brown, Hershel Brown, Bruce, Carroll, Carter, Chapman, Clarke, Collins, Conn, Curlin, James A. Davis, DeMarcus, Deskins, Donnermeyer, Durham, Floyd, Freeman, Graves, Haney, John O. Hardin, L. T. Hardin, Head, Hinkle, Holloway, Huff, Hughes, Isler, Keene, Keith, Kenton, Kessinger, Kidd, King, Kleier, Knuckles, Lewis, Lindsay, Louden, McBrayer, McBride, McCann, McNamara, Massey, May, Mershon, Mitchell, Murphy, Nett, Osborne, Parish, Paxton, Peak, Pollitte, Prather, Priddy, Reed, Rickert, Ruh, Salyers, Schmidt, Siemens, Simmons, Swinford, Tobin, Van Horn, Wells, Wenz, West, Wheeler, Glenn White, John E. White, Wible, Wright, Yocom. Nays 0.

SB 212 was passed and the title agreed to.

Representative McBrayer moved that the vote by which **SB 212** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

Representative Baker filed an amendment to **HB 659.**

Representative J. Hardin filed two amendments to **SB 91.**

SB 265 taken from Orders of the Day and ordered read at length for the third time. Representative McBrayer moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

On the roll call the vote was yeas 48—Blandford, Bleemel, Blume, Archie Brown, Hershel Brown, Carter, Chapman, Clarke, Conn, Curlin, Donnermeyer, Durham, Floyd, Graves, Haney, John O. Hardin, L. T. Hardin, Holloway, Isler, Keene, Kenton, Kidd, Kleier, Knuckles, Louden, McBrayer, McBride, McCann, Massey, Mershon, Murphy, Osborne, Parish, Paxton, Peak, Prather, Priddy, T. P. Reynolds, Rickert, Salyers, Schmidt, Sharpe, Swinford, Tobin, West, Glenn White, Wible, Wright. Nays 19—Arnett, Collins, J. Davis, Freeman, Hinkle, Hughes, Keith, King, Lovins, McKinney, Mitchell, Rattliff, Ray, Reed, Roberts, Ruh, Simmons, Van Horn, Wenz.

SB 265 was passed and the title agreed to.

Representative McBrayer moved that the vote by which **SB 265** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HR 82 taken from Orders of the Day. Representative E. G. Brown moved that it be placed upon its passage. Agreed.

Representative E. G. Brown moved the adoption of the following **HR 82:**

HR 82, A RESOLUTION relating to the Trade Water River.

WHEREAS, the six counties of Caldwell, Christian, Crittenden, Hopkins, Union and Webster, comprising 1,718,400 acres, border on the Trade Water River, which flows for some 100 miles from its origin in Christian County to its confluence with the Ohio River near Sturgis, Kentucky; and

WHEREAS, inattention and the absence of conservation practices have for many years resulted in the virtual ruination of the Trade Water River, contributing to flooding, pollution and the creation of thousands of acres of marsh and swamp lands in Western Kentucky; and

WHEREAS, one direct and immediate result has been the propogation of the salt marsh mosquito within the Trade Water River Basin and its tributaries, to the extent that the most recent study indicates a loss to Hopkins County, Kentucky, alone in the sum of more than $4,000,000.00 annually; and has created a clear and present danger to the health and welfare of all of the citizens residing in this six county area; and

WHEREAS, the Congress of the United States has authorized an appropriation of $30,000.00 to initiate a study of the most feasible method of alleviating these conditions in the Trade Water River Basin; and

WHEREAS, the appropriation has not been allocated, which may result in a postponement of the study for as much as one year;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

1. That the urgency of these matters be communicated to the President of the United States, United States Senator Marlow W. Cook and United States Senator John Sherman Cooper, with the request that funds for the initial study be made available at the earliest possible time.

2. That copies of this Resolution be forwarded by the Clerk of the House of Representatives to the Honorable Richard M. Nixon, President of the United States; United States Senator Marlow W. Cook; and United States Senator John Sherman Cooper.

HR 82 was adopted.

Representative E. G. Brown moved that **HR 83** be deferred and that it retain its position in Orders of the Day. Agreed.

HR 84 taken from Orders of the Day. Representative E. G. Brown moved that it be placed upon its passage. Agreed.

Representative E. G. Brown moved the adoption of the following **HR 84:**

HR 84, A RESOLUTION authorizing and directing the Legislative Research Commission to conduct a study of local ad valorem taxes.

WHEREAS, there is a need for revenue at the county and city level and

WHEREAS, the basic source of this revenue has historically been the property tax; and

WHEREAS, the property tax is insufficient to carry the burden of all local tax effort.

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

Section 1. The Legislative Research Commission is authorized and directed to study the various local ad valorem taxes and determine a method of using the ad valorem tax for city and county governments and to study the feasibility of the Commonwealth fully financing the minimum foundation program and to find an alternate method of financing the local effort for education.

Section 2. The Legislative Research Commission is directed to report its findings together with any recommendations it may make to the 1972 Regular Session of the General Assembly.

Section 3. The Department of Revenue is asked to give such assistance as may be needed in making this study.

HR 84 was adopted.

Representative E. G. Brown moved that **HB 452** be deferred and that it retain its position in Orders of the Day. Agreed.

Representative Nett announced he wished to vote "yea" on **HB 61.**

Representative Lindsay announced he wished to vote "yea" on **HB 421.**

Representative Lewis announced he wished to vote "nay" on **SB 265.**

Representative Dorris announced he wished to vote "nay" on **SB 51.**

Representative Huff requested that his name be removed as a sponsor of **HB 462.**

Representative Yocom announced he wished to change his vote from "nay" to "yea" on **HB 265.**

Announcements

The Clerk announced the following Bills and Resolutions have been posted for consideration:

Judiciary: **HB 714, SB 207, SB 261.** (Room 305, March 10, 1970, 10:00 a.m.)

State Government: **HJR 90, HB 544, HB 603.** (Room 401, March 10, 1970, 10:45 a.m.)

The Clerk announced the following Bills and Resolutions were withdrawn from consideration:

Judiciary: **HB 70, HB 539, HB 438.**

State Government: **HB 127.**

Labor and Industry: **HB 334, HB 335, HB 547.**

Education: **HB 267.**

Representative E. G. Brown moved that the House adjourn until 1:00 p.m., Tuesday, March 10, 1970.

On the roll call the vote was yeas 45—Alexander, Allen, Baker, Edward G. Brown, Carroll, Carter, Clarke, Conn, James A. Davis, Graves, Head, Hinkle, Huff, Hughes, Isler, Keith, Kenton, Kidd, King, Lewis, Lindsay, Louden, Lovins, McBride, McCann, McNamara, Massey, Mershon, Nett, Parish, Peak, Prather, Priddy, Reed, Rickert, Salyers, Schmidt, Simmons, Swinford, Tobin, Van Horn, Wells, Wible, Wyatt, Yocom. Nays 1—Kleier.

The motion to adjourn was adopted.

TUESDAY, MARCH 10, 1970

FIFTY-FIRST LEGISLATIVE DAY

The House was called to order by Representative Ruh.

Prayer by Dr. James A. Shepherd, First United Methodist Church, Frankfort.

The roll was called. All present.

Representative Isler moved that absent members be granted leave of absence. Agreed.

Representative McNamara moved that the reading of the Journal of March 9, 1970, be dispensed with and the same approved. Agreed.

Introduction of Bills and Resolutions

HB 730, by Representative Massey: AN ACT relating to teachers' retirement.

HB 731, by Representatives Durham and G. White: AN ACT relating to public assistance.

HB 732, by Representative G. White: AN ACT relating to county attorneys.

HB 733, by Representatives Collins and Wheeler: AN ACT relating to education.

HB 734, by Representative McBrayer: AN ACT relating to vending machines.

HR 96, by Representative Blume: A RESOLUTION recognizing the achievements of the University of Louisville basketball team.

HR 97, by Representatives Durham and G. White: A RESOLUTION requesting the Department of Economic Security to enforce laws relating to homes for the aged or infirm.

Report on Enrolled Bills

HB 245, HB 227, HB 90, HB 66 and **HB 36** delivered to the Senate, signed by President. Ordered delivered to the Governor.

Reference of Bills and Resolutions

The Committee on Committees has referred the following Bills and Resolutions:

Business Organizations and Professions: **HB 728.**

Cities: **SB 266, SB 320.**

Counties and Special Districts: **SB 294.**

Education: **HB 719.**

Elections and Constitutional Amendments: **HB 723.**

Health and Welfare: **SB 274.**

Judiciary: **HB 727, HB 729.**

Labor and Industry: **HB 726.**

Public Utilities and Transportation: **HB 718, HB 721, HB 724, HB 725.**

State Government: **HB 720, HB 722.**

Report of Committees

The Committee on Judiciary reported **HB 675, HB 666, HB 656, HB 655, HB 654, HB 637, HB 629, SB 311** and **SB 285** with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 675, AN ACT relating to wills.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 394.060 is hereby amended to read as follows:

[A devise or bequest extends to any real or personal estate over which the testator has a discretionary power of appointment, and to which it would apply if the estate was his own property, and shall operate as an execution of such power, unless a contrary intention appears in the will.] *A general residuary clause in a will, or a will making general disposition of all the*

testator's property, does not exercise a power of appointment held by the testator unless specific reference is made to the power or there is some other indication of intention to include the property subject to the power.

Section 2. KRS 394.090 is hereby amended to read as follows:

Every will shall be revoked by the marriage *or divorce* of the person who made the will, except a will made in exercise of a power of appointment when the estate thereby appointed would not, in default of such appointment, pass to the heir, personal representative, or next of kin of the person who made the will.

Section 3. KRS 394.210 is hereby amended to read as follows:

(1) If any person who attests the execution of a will shall, after its execution, become incompetent to be admitted as a witness to prove its execution, the will shall not, on that account, be invalid.

(2) If a will is attested by a person to whom, or to whose wife or husband, any beneficial interest in the estate is devised or bequeathed, and the will cannot otherwise be proved, such person shall be deemed a competent witness; but such devise or bequest shall be void, unless such witness would be entitled to a share of the estate of the testator if the will were not established, in which case he shall receive so much of his share as does not exceed the value of that devised or bequeathed.

(3) The handwriting of a testator in a holographic will for purposes of probate in county court may be proved by witnesses who are named as beneficiaries in the will. Such witnesses' testimony shall not by that fact alone, disqualify them from receiving any bequest or devise contained in the will.

Section 4. A new section of chapter 394 of the Kentucky Revised Statutes is created to read as follows:

An attested will may at the time of its execution or at any subsequent date be made self-proved, by the acknowledgment thereof by the testator and the affidavits of the witnesses, each made before an officer authorized to administer oaths under

the laws of this State, and evidenced by the officer's certificate, under official seal, attached or annexed to the will in form and content substantially as follows:

The state of ————————————

County of ————————————

Before me, the undersigned authority, on this day personally appeared ———— and ———— known to me to be the testator and the witnesses, respectively, whose names are signed to the attached or foregoing instrument and, all of these persons being by me first duly sworn, ————————, the testator, declared to me and to the witnesses in my presence that the instrument is his last will and that he had willingly signed or directed another to sign for him, and that he executed it as his free and voluntary act for the purposes therein expressed; and each of the witnesses stated to me, in the presence and hearing of the testator, that he signed the will as witness and that to the best of his knowledge the testator was eighteen years of age or over, of sound mind and under no constraint or undue influence.

_____

Testator

_____

Witness

_____

Witness

Subscribed, sworn, and acknowledged before me by ————

the testator, subscribed, and sworn before me by ————

and ———— witnesses, this —— day of ————

AD ————

Signed ————————————

Official capacity of officer

Section 5. KRS 394.390 is hereby repealed. [If the testator has a child or grandchild living at the time of his death, whom, then and at the time of making the will, the testator believes to be

dead, or if a child dies out of the state within the knowledge of the testator, leaving issue of which the testator has no knowledge at such time, and no provision for or exclusion of such child, grandchild, or issue, is made by the will, the child, grandchild, or issue, shall take of the testator's estate as if he had died intestate, and as provided in favor of a pretermitted child. The presumption that such pretermission was the result of mistake on the part of the testator, may be rebutted by parol or other proof.]

Section 6. KRS 394.500 is hereby amended to read as follows:

Unless a contrary intention appears from will, real or personal estate, comprised in a devise incapable of taking effect, shall [not] be included in the residuary devise contained in the will. [but shall pass as in case of intestacy.]

Section 7. KRS 394.240 is hereby amended to read as follows:

An appeal may be taken from the county court to the circuit court of the same county from every judgment admitting a will to record or rejecting it. The circuit court shall try both law and fact, unless a jury be required. The appeal to the circuit court shall be within [five] *two* years after rendering the judgment of probate or rejection in the county court. The propounder of the will shall have the right to conclude the argument in the circuit court.

Section 8. A new section of chapter 394 of the Kentucky Revised Statutes is created to read as follows:

KRS 394.420 to 394.490 shall not affect any statutory provision in relation to property devised which may be subject to a lien.

Section 9. A new section of chapter 394 of the Kentucky Revised Statutes is created to read as follows:

A general direction in a will to pay the debts shall include the satisfaction of liens as to any specific devise or bequest unless the will states to the contrary.

Section 10. A new section of chapter 394 of the Kentucky Revised Statutes is created to read as follows:

A contract to make a will or devise, or not to revoke a will or devise, or to die intestate, if executed after the effective date of this Act, can be established only by:

(1) Provisions of a will stating material provisions of the contract; or

(2) An express reference in a will to a contract and extrinsic evidence proving the terms of the contract; or

(3) A writing signed by the decedent evidencing the contract.

The execution of a joint will or mutual wills gives rise to no presumption of a contract not to revoke the will or wills.

Section 11. A new section of chapter 394 of the Kentucky Revised Statutes is created to read as follows:

A legacy of stock, regardless of whether it is construed to be general or specific, shall include:

1. All stock split shares attributable to the devised shares.

2. All stock dividends attributable to the devised shares.

3. All shares of stock issued as a result of merger, consolidation, reorganization or other similar action, and attributable to the devised shares; and

4. All shares of stock issued in exchange for and attributable to the devised shares, received by the testator after execution of the will or by his estate after his death, unless there is in the will or a codicil thereto a manifest intention to the contrary.

HB 666, AN ACT relating to the administration of estates.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 395.460 is hereby amended to read as follows:

(1) The court in its discretion may order that no letters of administration on estates of persons dying intestate need be obtained, if the personal property on hand or in bank does not exceed the amount declared by KRS 391.030 to be exempt from

distribution and sale and directed to be set aside by the appraisers to the widow or to the surviving infant children or to the widow and the surviving infant children. Proof may be allowed by or on behalf of the infant children or widow of the value and nature of the estate and, if the court is satisfied that no personal estate will be left after allowing and setting apart the exempted property, it shall order that no letters of administration of the estate be issued, unless on the application of creditors or other parties interested the existence of other personal property is shown.

(2) After the making of such an order and until it is revoked the widow, or, if there is no widow, the guardian of the infant children may collect, sue for and obtain all the property belonging to the estate. The widow shall settle her accounts as though she had qualified as administratrix. If there is no widow, the guardian shall account for the property in the settlement of his accounts.

(3) If the decedent has died intestate, the court may order that no letters of administration need be obtained, provided the personal property on hand does not exceed the amount of the widow's exemption and/or the claims as set out in HB 511 or any part thereof. Proof may be allowed by or on behalf of the widow or the infant children or of the next of kin (excluding the surviving husband) of the value and nature of the estate and of the preferred debts as above set out, and if the court is satisfied that no personal estate will be left after providing for the widow's exemption and/or preferred debts (or a part thereof), it may order that no letters of administration shall be issued and that such assets be transferred to the person entitled thereto, unless on the application of creditors or other parties interested the existence of other property is shown.

(4) If the decedent has died testate or intestate and the possibility of widow's exemptions has been eliminated, the court may order that no letters of administration need be obtained provided that the personal property on hand does not exceed the amount of the preferred debts as set out in HB 511 or any part thereof. Proof may be allowed by or on behalf of the widow or infant children or next of kin (excluding surviving husband) of the value and nature of the estate and of the preferred debts

as above set out and if the court is satisfied that no personal estate will be left after providing for the preferred debts, or any part thereof, it may order that no letters of administration shall be issued, and that such assets be transferred to the person entitled thereto, unless on the application of creditors or other parties interested the existence of other property is shown.

(5) If decedent has died testate or intestate, survived by her husband, proof may be allowed by or on behalf of the husband concerning the nature and value of the estate, and if the value of the decedent's probatable estate does not exced the sum of $1500.00, and if the court is satisfied by adequate bond or otherwise that all debts against the estate are fully protected, the court may order that no letters of administration be issued and that the assets thereof be transferred to the person entitled thereto.

(6) In an estate where decedent dies testate proof may be allowed concerning the nature and amount of such estate, and if the court is satisfied that no probatable estate will pass through the hands of the personal representative, it may order that no letters of administration be issued and that the will be probated only.

HB 656, AN ACT relating to the right of appeal in juvenile court cases.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 208.380 of the Kentucky Revised Statutes is amended to read as follows:

(1) An appeal *to the circuit court* may be taken *as a matter of right* from the juvenile session of the county court from all orders and judgments whereby any infant or other person shall be restrained of his liberty, or placed in the custody of any institution, or fined or punished in any manner, whether in a criminal or quasi-criminal, civil or other proceeding. The appeal shall be taken in the manner provided in the Rules of Criminal Procedure, except that the judgment is not suspended by taking the appeal.

(2) Any party aggrieved by an appeal to the circuit court

may by right appeal to the court of appeals in the same manner as provided in the Rules of Criminal Procedure. [, and the transcript when filed in the office of the Clerk of the Circuit Court shall be accompanied by a motion for an appeal, supported by an affidavit of merits, signed by the appellant, or if he be an infant, by his parent or guardian, or if such infant have no parent or guardian, then by his next friend, which affidavit shall state the nature of the controversy and such facts as are necessary to enable the circuit judge to determine whether an appeal shall be allowed, and the disposition of the child pending the hearing on appeal. The county attorney shall be notified of the motion for an appeal and given an opportunity to file counter affidavits.]

HB 655, AN ACT relating to the conduct of hearings before juvenile courts.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 208.060 of the Kentucky Revised Statutes is amended to read as follows:

(1) All cases involving children *brought before the court* shall be dealt with by the juvenile court at separate hearings and without a jury. The hearings shall be conducted in an informal manner, and may be adjourned from time to time. The general public shall be excluded and only such persons admitted as the judge shall find to have a direct interest in the case or in the work of the court. The presence of the child in court may be waived by the court at any stage of the proceedings.

(2) The juvenile hearing consists of two phases, the adjudicative phase and the dispositive phase.

(a) The adjudicative phase determines the issues alleged in the petition. These issues may be determined either by the admission or confession of the party in court with counsel or by the taking of evidence.

(b) The dispositive phase consists of the measures taken and the orders issued by the court with respect to the juvenile or his parents, guardian or custodian designed to correct any undesirable situation found in the adjudicative phase.

(3) The rules applicable to criminal proceedings shall apply to any child brought before the court on a petition under KRS 208.020 (1) (a), (b) or (c) in reaching a determination in the adjudicative phase, which determination must be supported by evidence beyond a reasonable doubt. Before commencing a hearing for the purpose of adjudication, the facts alleged in a petition filed with the court under KRS 208.020 (1) (a), (b) or (c), the court:

(a) shall explain to the juvenile and his parent, guardian, or custodian their respective rights to counsel and, if the child and his family are unable to obtain counsel, shall appoint counsel for the child and may appoint counsel for the parents;

(b) shall explain the privilege against self-incrimination as it applies to the child; and

(c) shall advise the child and his parents, guardian, or custodian of their right of appeal from the determination of the court.

(4) At the dispositive phase of the hearing of a petition before the court, all information helpful in making a proper disposition, including oral and written reports, may be received by the court and relied upon to the extent of its probative value even though not otherwise competent under the rules of evidence provided that the parties or their counsel shall be afforded an opportunity to examine and contravert written reports so received, and to cross-examine individuals making the reports.

(5) In the case of any child brought before the court on a petition under KRS 208.020 (1) (d), the rules of evidence and procedure described in subsection (3) of this section shall apply except that an adjudication may be made on the preponderance of evidence.

HB 654, AN ACT relating to the prevention of the publication of names of juveniles who are victims in rape cases and witnesses in other cases of abuse.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. A new section of Chapter 431 of the Kentucky Revised Statutes is created to read:

No person shall publish or cause to be published in any newspaper, magazine, periodical, or circular, except as the same may be necessary in the institution or prosecution of any civil or criminal court proceeding, or in the compilation of the records pertaining thereto, the identity of a female under the age of eighteen who may have been raped or subjected to any similar criminal assault or any witness under the age of eighteen who has appeared in a case under the provision of KRS 208.020 (3), (4) or (5). Any person violating this Act shall be punished by imprisonment in the county jail for not more than one year or by fine not exceeding five hundred dollars, or by both such fine and imprisonment.

HB 637, AN ACT relating to fees of justices of the peace.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. A new section of Chapter 64 of the Kentucky Revised Statutes is created to read as follows:

Justices of the peace, in actions in their courts involving an amount in controversy, exclusive of interest and costs, of $50 or under shall be allowed, for the issuance of each writ of forcible entry and detainer, a fee of $1.50, and for each trial of a writ of forcible entry and detainer presided at and superintended by a justice of the peace, a fee of $3.00 per day.

HB 629, AN ACT relating to the agreement on detainers.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. A new section of the Kentucky Revised Statutes is created to read as follows:

The agreement on detainers is hereby enacted into law and entered into by this State with all other jurisdictions legally joining therein the form substantially as follows:

THE AGREEMENT ON DETAINERS

The contracting states solemnly agree that:

Article I

The party states find that charges outstanding against a prisoner, detainers based on untried indictments, informations or complaints, and difficulties in securing speedy trial of persons already incarcerated in other jurisdictions, produce uncertainties which obstruct programs of prisoner treatment and rehabilitation. Accordingly, it is the policy of the party states and the purpose of this agreement to encourage the expeditious and orderly disposition of such charges and determination of the proper status of any and all detainers based on untried indictments, informations or complaints. The party states also find that proceedings with reference to such charges and detainers, when emanating from another jurisdiction, cannot properly be had in the absence of cooperative procedures. It is the further purpose of this agreement to provide such cooperative procedures.

Article II

As used in this agreement:

(a) 'State" shall mean a state of the United States; the United States of America; a territory or possession of the United States; the District of Columbia; the Commonwealth of Puerto Rico.

(b) "Sending state" shall mean a state in which a prisoner is incarcerated at the time that he initiates a request for final disposition pursuant to Article III hereof or at the time that a request for custody or availability is initiated pursuant to Article IV hereof.

(c) "Receiving state" shall mean the state in which trial is to be had on an indictment, information or complaint pursuant to Article III or Article IV hereof.

Article III

(a) Whenever a person has entered upon a term of imprisonment in a penal or correctional institution of a party state, and whenever during the continuance of the term of imprisonment there is pending in any other party state any untried indictment, information or complaint on the basis of which a detainer has been lodged against the prisoner, he shall be brought

to trial within one hundred eighty days after he shall have caused to be delivered to the prosecuting officer and the appropriate court of the prosecuting officer's jurisdiction written notice of the place of his imprisonment and his request for a final disposition to be made of the indictment, information or complaint: provided that for good cause shown in open court, the prisoner or his counsel being present, the court having jurisdiction of the matter may grant any necessary or reasonable continuance. The request of the prisoner shall be accompanied by a certificate of the appropriate official having custody of the prisoner, stating the term of commitment under which the prisoner is being held, the time already served, the time remaining to be served on the sentence, the amount of good time earned, the time of parole eligibility of the prisoner, and any decisions of the state parole agency relating to the prisoner.

(b) The written notice and request for final disposition referred to in paragraph (a) hereof shall be given or sent by the prisoner to the warden, commissioner of corrections or other official having custody of him, who shall promptly forward it together with the certificate to the appropriate prosecuting official and court by registered or certified mail, return receipt requested.

(c) The warden, commissioner of corrections or other official having custody of the prisoner shall promptly inform him of the source and content of any detainer lodged against him and shall also inform him of his right to make a request for final disposition of the indictment, information or complaint on which the detainer is based.

(d) Any request for final disposition made by a prisoner pursuant to paragraph (a) hereof shall operate as a request for final disposition of all untried indictments, informations or complaints on the basis of which detainers have been lodged against the prisoner from the state to whose prosecuting official the request for final disposition is specifically directed. The warden, commissioner of corrections or other official having custody of the prisoner shall forthwith notify all appropriate prosecuting officers and courts in the several jurisdictions within the state to which the prisoner's request for final disposition is being sent of the proceeding being initiated by the prisoner. Any notification

sent pursuant to this paragraph shall be accompanied by copies of the prisoner's written notice, request, and the certificate. If trial is not had on any indictment, information or complaint contemplated hereby prior to the return of the prisoner to the original place of imprisonment, such indictment, information or complaint shall not be of any further force or effect, and the court shall enter an order dismissing the same with prejudice.

(e) Any request for final disposition made by a prisoner pursuant to paragraph (a) hereof shall also be deemed to be a waiver of extradition with respect to any charge or proceeding contemplated thereby or included therein by reason of paragraph (d) hereof, and a waiver of extradition to the receiving state to serve any sentence there imposed upon him, after completion of his term of imprisonment in the sending state. The request for final disposition shall also constitute a consent by the prisoner to the production of his body in any court where his presence may be required in order to effectuate the purposes of this agreement and a further consent voluntarily to be returned to the original place of imprisonment in accordance with the provisions of this agreement. Nothing in this paragraph shall prevent the imposition of a concurrent sentence if otherwise permitted by law.

(f) Escape from custody by the prisoner subsequent to his execution of the request for final disposition referred to in paragraph (a) hereof shall void the request.

Article IV

(a) The appropriate officer of the jurisdiction in which an untried indictment, information or complaint is pending shall be entitled to have a prisoner against whom he had lodged a detainer and who is serving a term of imprisonment in any party state made available in accordance with Article V (a) hereof upon presentation of a written request for temporary custody or availability to the appropriate authorities of the state in which the prisoner is incarcerated: provided that the court having jurisdiction of such indictment, information or complaint shall have duly approved, recorded and transmitted the request: and provided further that there shall be a period of thirty days after receipt by the appropriate authorities before the request be hon-

ored, within which period the governor of the sending state may disapprove the request for temporary custody or availability, either upon his own motion or upon motion of the prisoner.

(b) Upon receipt of the officer's written request as provided in paragraph (a) hereof, the appropriate authorities having the prisoner in custody shall furnish the officer with a certificate stating the term of commitment under which the prisoner is being held, the time already served, the time remaining to be served on the sentence, the amount of good time earned, the time of parole eligibility of the prisoner, and any decisions of the state parole agency relating to the prisoner. Said authorities simultaneously shall furnish all other officers and appropriate courts in the receiving state who have lodged detainers against the prisoner with similar certificates and with notices informing them of the request for custody or availability and of the reasons therefor.

(c) In respect of any proceeding made possible by this Article, trial shall be commenced within one hundred twenty days of the arrival of the prisoner in the receiving state, but for good cause shown in open court, the prisoner or his counsel being present, the court having jurisdiction of the matter may grant any necessary or reasonable continuance.

(d) Nothing contained in this Article shall be construed to deprive any prisoner of any right which he may have to contest the legality of his delivery as provided in paragraph (a) hereof, but such delivery may not be opposed or denied on the ground that the executive authority of the sending state has not affirmatively consented to or ordered such delivery.

(e) If trial is not had on any indictment, information or complaint contemplated hereby prior to the prisoner's being returned to the original place of imprisonment pursuant to Article V (e) hereof, such indictment, information or complaint shall not be of any further force or effect, and the court shall enter an order dismissing the same with prejudice.

Article V

(a) In response to a request made under Article III or Article IV hereof, the appropriate authority in a sending state shall offer to deliver temporary custody of such prisoner to the

appropriate authority in the state where such indictment, information or complaint is pending against such person in order that speedy and efficient prosecution may be had. If the request for final disposition is made by the prisoner, the offer of temporary custody shall accompany the written notice provided for in Article III of this agreement. In the case of a federal prisoner, the appropriate authority in the receiving state shall be entitled to temporary custody as provided by this agreement or to the prisoner's presence in federal custody at the place of trial, whichever custodial arrangement may be approved by the custodian.

(b) The officer or other representatives of a state accepting an offer of temporary custody shall present the following upon demand:

(1) Proper identification and evidence of his authority to act for the state into whose temporary custody the prisoner is to be given.

(2) A duly certified copy of the indictment, information or complaint on the basis of which the detainer has been lodged and on the basis of which the request for temporary custody of the prisoner has been made.

(c) If the appropriate authority shall refuse or fail to accept temporary custody of said person, or in the event that an action on the indictment, information or complaint on the basis of which the detainer has been lodged is not brought to trial within the period provided in Article III or Article IV hereof, the appropriate court of the jurisdiction where the indictment, information or complaint has been pending shall enter an order dismissing the same with prejudice, and any detainer based thereon shall cease to be of any force or effect.

(d) The temporary custody referred to in this agreement shall be only for the purpose of permitting prosecution on the charge or charges contained in one or more untried indictments, informations or complaints which form the basis of the detainer or detainers or for prosecution on any other charge or charges arising out of the same transaction. Except for his attendance at court and while being transported to or from any place at which his presence may be required, the prisoner shall be held in a suitable jail or other facility regularly used for persons awaiting prosecution.

(e) At the earliest practicable time consonant with the purposes of this agreement, the prisoner shall be returned to the sending state.

(f) During the continuance of temporary custody or while the prisoner is otherwise being made available for trial as required by this agreement, time being served on the sentence shall continue to run but good time shall be earned by the prisoner only if, and to the extent that, the law and practice of the jurisdiction which imposed the sentence may allow.

(g) For all purposes other than that for which temporary custody as provided in this agreement is exercised, the prisoner shall be deemed to remain in the custody of and subject to the jurisdiction of the sending state and any escape from temporary custody may be dealt with in the same manner as an escape from the original place of imprisonment or in any other manner permitted by law.

(h) From the time that a party state receives custody of a prisoner pursuant to this agreement until such prisoner is returned to the territory and custody of the sending state, the state in which the one or more untried indictments, informations or complaints are pending or in which trial is being had shall be responsible for the prisoner and shall also pay all costs of transporting, caring for, keeping and returning the prisoner. The provisions of this paragraph shall govern unless the states concerned shall have entered into a supplementary agreement providing for a different allocation of costs and responsibilities as between or among themselves. Nothing herein contained shall be construed to alter or affect any internal relationship among the departments, agencies and officers of and in the government of a party state, or between a party state and its subdivisions, as to the payment of costs, or responsibilities therefor.

Article VI

(a) In determining the duration and expiration dates of the time periods provided in Articles III and IV of this agreement, the running of said time periods shall be tolled whenever and for as long as the prisoner is unable to stand trial, as determined by the court having jurisdiction of the matter.

(b) No provision of this agreement, and no remedy made available by this agreement, shall apply to any person who is adjudged to be mentally ill.

Article VII

Each state party to this agreement shall designate an officer who, acting jointly with like officers of other party states, shall promulgate rules and regulations to carry out more effectively the terms and provisions of this agreement, and who shall provide, within and without the state, information necessary to the effective operation of this agreement.

Article VIII

This agreement shall enter into full force and effect as to a party state when such state has enacted the same into law. A state party to this agreement may withdraw herefrom by enacting a statute repealing the same. However, the withdrawal of any state shall not affect the status of any proceedings already initiated by inmates or by state officers at the time such withdrawal takes effect, nor shall it affect their rights in respect thereof.

Article IX

This agreement shall be liberally construed so as to effectuate its purposes. The provisions of this agreement shall be severable and if any phrase, clause, sentence or provision of this agreement is declared to be contrary to the constitution of any party state or of the United States or the applicability thereof to any government, agency, person or circumstance is held invalid, the validity of the remainder of this agreement and the applicability thereof to any government, agency, person or circumstance shall not be affected thereby. If this agreement shall be held contrary to the constitution of any state party hereto, the agreement shall remain in full force and effect as to the remaining states and in full force and effect as to the state affected as to all severable matters.

SB 311, AN ACT relating to circuit courts.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Section 23.085 of the Kentucky Revised Statutes is amended to read as follows:

(1) That in all counties of the state having a town not larger than the fourth class, and containing a population larger than that of the county seat town, according to the last federal enumeration and situated over seventeen miles from the county seat town, the circuit court for each of said counties shall be held alternately so as to divide the time between the county seat town and the larger town as the business of the court may require, the first part of such term as now provided by law to be held at the county seat. *The distance shall be measured from the court house in the county seat to the post office of the other city along the most convenient and usually traveled public highway.*

(2) All civil cases arising in such counties shall be tried in the county seat town or the larger town nearest to which the defendant, first named in the complaint, resides.

(3) All criminal cases arising in such counties shall be tried in the county seat town or the larger town nearest to which the offense was alleged to have been committed.

(4) Provided that the expense of furnishing a court room and jail at such larger town shall be borne by the larger town, as well as the expenses of securing a vault and depository for books and papers pertaining to the records of the circuit court of such county, and any other expenses pertaining to the moving of records and holding of said court at the larger town without additional expense to the county.

SB 285, AN ACT relating to the compensation of court reporters.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Section 28.450 is amended to read:

(1) Reporters for circuit courts in counties containing a city of the second class [and having two or more judges,] shall

receive for their services in taking stenographic notes, a salary of not less than five thousand dollars per annum, to be fixed by the fiscal court of said county and paid in monthly installments by the county.

(2) In counties having a population of one hundred fifty thousand or more, the fee of reporters serving in civil cases in any division of the circuit court shall be fixed by the presiding judge thereof at not more than ten dollars per day for taking stenographic reports, and thirty cents per hundred words for the transcript thereof, which shall be paid forthwith by the party in whose behalf the report or transcript is ordered, and shall be taxed as part of the costs of the action. The reporter shall not be required to file any transcript without payment therefor by the party in whose behalf it is ordered, unless the presiding judge of the division directs him to file a transcript upon the motion of a party suing in forma pauperis.

(a) Reporters of the common pleas branch of the court shall continue to be paid the salaries now provided by law in addition to the fees above prescribed; provided, however, that such salaries may be increased or decreased to the amount fixed by a majority of the members of the general term of the circuit court by written recommendation to the fiscal court of the county, which recommendation shall become effective upon its approval by resolution of the fiscal court.

(b) Reporters of the chancery branch of the court shall be paid salaries in addition to the fees above prescribed, such salaries to be fixed by a majority of the members of the general term of the circuit court by written recommendation to the fiscal court of the county, which recommendation shall become effective upon its approval by resolution of the fiscal court; provided, however, that such salaries may be increased or decreased in the same manner as provided for reporters of the common pleas branch of the court.

(3) For duplicate copies of transcripts, reporters in counties having a population of one hundred fifty thousand or more shall be allowed one-half the amount they are allowed for the original, to be paid for in the same manner as the original.

The Committee on State Government reported **SB 290, SB 283, SB 167, SB 146, HB 603, HB 544** and **HR 90** with the

expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

SB 290, AN ACT relating to police radios.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Section 432.570 of the Kentucky Revised Statutes is amended to read as follows:

(1) It shall be unlawful for any person except a peace officer duly authorized to make arrests, and also holding either a first, second or third class radio operator's license duly issued by the Federal Communications Commission, or a member of a police department or police force which regularly maintains a police radio system authorized or licensed by the Federal Communications Commission, *or a coroner, deputy coroner, sheriff, deputy sheriff, constable, deputy constable, or other public official duly authorized to make arrests, and who shall have been authorized by a police department or police force which regularly maintains a police radio system authorized or licensed by the Federal Communications Commission,* to have in his or her possession, *or to sell or lease,* or *to have* in an automobile or other vehicle, or to equip or install in or on any automobile or other vehicle, any mobile radio set or apparatus capable of either receiving or transmitting radio or other messages or signals within the wave length or channel now or which may hereafter be allocated by the Federal Communications Commission, or its successor, for the purpose of police radios, or which may in any way intercept or interfere with the transmission of radio messages by any police or other peace officers. [and it shall be unlawful for any car, automobile or other vehicle other than one publicly owned and entitled to and bearing an official license plate issued by the state issuing a license for said car to have or be equipped with such sets or apparatus even though said car is owned by an officer.] Provided, however, the provisions of this section shall not apply to any automobile or other vehicle owned or operated by any operating public utility company and, in the event a license is required, that same be secured from the Federal Communications Commission or other Federal agency having the authority to license same.

(2) And it shall be further provided that the provisions of this section shall not prohibit the installation and maintenance of receiving devices by newspapers and radio and television broadcasting stations for the sole purpose of gathering news for public dissemination.

(3) [(2)] Any person guilty of violating any of the provisions of this section shall be guilty of a misdemeanor, and, upon conviction, shall be punished by a fine of not less than fifty dollars and not exceeding five hundred dollars, or imprisonment not exceeding twelve months, or both so fined and imprisoned.

(4) [(3)] It shall be the duty of any and all peace officers to seize and hold for evidence any and all equipment had or used in violation of the provisions of this section, and, upon conviction of the person having, equipping, *selling, leasing,* or using such equipment, it shall be the duty of the trial court to order such equipment or apparatus destroyed, forfeited or escheated to the Commonwealth of Kentucky, or to any county, city or town within which such court sits or holds its sessions, and said property may be ordered destroyed, forfeited or escheated as above provided without a conviction of the person charged with violating this section.

SB 283, AN ACT establishing the Kentucky Historical Events Celebration Commission.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. A new section of Chapter 153 of the Kentucky Revised Statutes is created to read as follows:

As used in this Act, unless the context clearly requires otherwise:

(1) "Commission" means the Kentucky Historical Events Celebration Commission.

Section 2. A new section of Chapter 153 of the Kentucky Revised Statutes is created to read as follows:

There is hereby created in the Executive branch of the State Government a Kentucky Historical Events Celebration Commission. The Commission shall consist of forty (40) mem-

bers appointed by the Governor, at least two of whom shall be selected from the Department of Public Information. The twelve chairmen of the Public Information Matching Funds Regions shall also be appointed to the Commission.

The Commission and the terms of members appointed to the Commission shall expire December 1, 1976. All vacancies in membership on the Commission shall be filled in the same manner as the original appointments were made.

Section 3. A new section of Chapter 153 of the Kentucky Revised Statutes is created to read as follows:

The Commission shall select ten of its members to constitute an Executive Committee which shall act for the Commission in the formulation, direction, and execution of its policies. The Executive Committee shall be divided into departments of administration, finance, installations, programming and participation, and public relations, with two members of the committee assigned to coordinate each department's activities for the Commission's total program.

Meetings of the Executive Committee shall be called by the Chairman of the Commission, who shall be appointed by the Governor and be selected a member of the Executive Committee.

Section 4. A new section of Chapter 153 of the Kentucky Revised Statutes is created to read as follows:

The Kentucky Historical Events Celebration Commission shall:

(a) Prepare an overall program to include specific plans for celebrating the two hundredth anniversary of the founding of Fort Harrod, the first permanent settlement west of the Allegheny Mountains opening the west, the hundredth running of the Kentucky Derby, both of which occur in 1974, and the National Bicentennial Celebration to take place in 1976.

(b) Select persons and events to be commemorated and prepare or assist in the preparation of appropriate programs for the Fort Harrod and Kentucky Derby celebration in 1974 and the National Bicentennial Celebration in 1976. In preparing its plans and programs, the Commission shall give consideration to

any plans advanced by civil, patriotic, historical or educational groups, and cooperate with them in all possible ways. The Commission may designate special committees with representation from such groups to plan and conduct specific programs.

(c) Encourage the location and preservation of books, documents, manuscripts, letters, relics and other materials pertaining to the settlement of Kentucky, the Kentucky Derby, and Kentucky's important position in a nation which will celebrate two hundred years of existence in 1976.

(d) Prepare and submit to the Governor on or before November 1, 1971, and each year thereafter, a complete report of the Commission's activities and plans for the Celebrations in 1974 and 1976.

Section 5. A new section of Chapter 153 of the Kentucky Revised Statutes is created to read as follows:

The Commission shall have the power to:

(a) Procure office space and supplies necessary to enable it to effectively carry out the planned celebrations.

(b) Hire an executive director and such other assistants as may be required to establish successful celebrations.

(c) Enter into such contractual and promotional agreements as may be necessary to effectively stimulate a state-wide program of celebrations.

Section 6. A new section of Chapter 153 of the Kentucky Revised Statutes is created to read as follows:

The Commission may disburse any and all funds appropriated by the General Assembly, any funds received from any state agency and may apply for, receive and disburse funds from the federal government or any public agency or private organization for purposes of carrying out the provisions of this Act. Neither Commission members nor the Chairman shall be entitled to compensation for their services on or for the Commission, but shall be entitled to reimbursement for all necessary expenses incurred in connection with the performance of their duties. The Commission shall be attached to the Office of the Governor of the Commonwealth of Kentucky for administrative purposes.

Section 7. A new section of Chapter 153 of the Kentucky Revised Statutes is created to read as follows:

Members shall not be considered to the state officers and membership on the Commission shall not be incompatible with any state office.

SB 167, AN ACT relating to alcoholic beverages.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Subsection (4) of Section 241.010 of the Kentucky Revised Statutes is amended to read as follows:

"Bottle" means any [glass] container which is used for holding alcoholic beverages [, and may be refilled with alcoholic beverages] for the use and sale of alcoholic beverages at retail.

Section 2. Section 243.140 of the Kentucky Revised Statutes is amended to read as follows:

A blender's license may be issued to a person who performs the functions of a rectifier only to a limited extent, but only to a person who produces or processes traditional Kentucky whiskies exclusively. It shall authorize the licensee to produce not exceeding five thousand barrels annually, and perform the following functions only:

(1) Blend and bottle straight whiskies produced in Kentucky that have been aged in new charred oak barrels in [unheated] Kentucky warehouses for not less than four and not more than *twenty* [twelve] years, to which nothing shall be added except imported Spanish blending sherry, genuine rock candy syrup and distilled water, and which contains no artificial coloring;

(2) Bottle straight whiskies produced in Kentucky that have been aged in new charred oak barrels in [unheated] Kentucky warehouses for not less than four nor more than *twenty* [twelve] years; or

(3) Bottle white Kentucky whiskey of any age that has been filtered through charcoal in a manner permitted by the United States Government.

Section 3. Section 243.360 of the Kentucky Revised Statutes is amended to read as follows:

(1) Every person, except an applicant for renewal of the same license for the same premises, or an applicant for a special agent's or solicitor's license, an industrial alcohol license, a non-industrial alcohol license, *a bonded warehouse license, a freight forwarding license, a storage warehouse license or a temporary drink license* shall, before applying for any license under KRS 243.030 *or KRS 243.040,* advertise by publication pursuant to KRS Chapter 424 his intention to apply. The advertisement shall state the name and address of the applicant if he is an individual, the names and addresses of the members of partnership if the applicant is a partnership, as well as the name of the business and its address, or, if the applicant is a corporation, the names and addresses of the principal officers and directors of the corporation, as well as the name and address of the corporation itself; the location of the premises for which the license is sought, and the type of license to be applied for.

(2) The applicant shall attach to the application a newspaper clipping of the advertisement and proof of the publication as provided in KRS 424.170.

Section 4. Section 243.400 of the Kentucky Revised Statutes is amended to read as follows:

(1) Every applicant for a *brewer's,* distiller's, rectifier's, bottling house or vintner's license shall file with his application a bond to the state in the amount of one thousand dollars. The bond shall be on a form approved by the board and shall have corporate surety registered by the Division of Insurance of the Department of Business Regulation. The applicant shall be the principal obligor and the state shall be the obligee. The bond shall be conditioned upon the prompt payment by the obligor to the Department of Revenue of any and all state taxes, with penalties and interest. *The applicant may file a continuing bond provided that each renewal application is accompanied by (1) an affidavit that the bond remains in force and (2) a copy of consent of surety. An applicant for two or more licenses of the same kind may file a blanket bond covering all of his operations. The amount of such a bond shall be the same as if separate bonds were furnished.*

(2) Every applicant for a wholesaler's license shall file with his application a corporate surety bond to the state in the minimum amount of two thousand dollars or an amount equal to three times the monthly tax liability, whichever is less, and up to a maximum amount of twenty-five thousand dollars. It shall be sufficient, in the opinion of the board, which shall consider the financial reputation and rating of the applicant, to insure payment to the state of the amount of any and all taxes and penalties and interest for which the wholesaler may become liable. It shall be on a form to be approved by the board and with surety on the bond approved by the board. The applicant shall be the principal obligor and the state the obligee. The bond shall be conditioned upon the prompt payment by the wholesaler to the Department of Revenue of any and all state taxes, with penalties and interest.

Section 5. Section 243.410 of the Kentucky Revised Statutes is amended to read as follows:

(1) If the surety on bonds required by KRS 243.400 becomes unsatisfactory in the opinion of the board, the board may require the *brewer,* distiller, rectifier, vintner or wholesaler to file a new bond with satisfactory surety in the same amount. Upon failure to file a new bond with satisfactory surety, the board shall forthwith suspend the license of the *brewer,* distiller, rectifier, vintner or wholesaler.

(2) If upon a hearing, of which the licensee shall be given five days' notice in writing, the board decides that the amount of the existing bond is insufficient, the licensee shall forthwith, upon written demand of the board, file an additional bond in the same amount, manner and form, and with a surety approved by the board. If the licensee fails to comply with the demand of the board, his license shall immediately be revoked by the board.

(3) A surety on any bond required by KRS 243.400 or 243.410 shall be discharged from any and all liability to the state accruing on the bond after the expiration of sixty days from the date upon which he files with the board a written request to be discharged. Such a request shall not operate to discharge the surety from any liability already accrued or that accrues before the expiration of the sixty day period.

Section 6. Section 243.570 of the Kentucky Revised Statutes is amended to read as follows:

(1) The case shall be set down by the court for as early a day as possible for a hearing, and shall in all respects be expedited in the same manner as a declaratory judgment suit.

(2) No new or additional evidence shall be introduced in the Franklin circuit court except as to the fraud or misconduct of some party engaged in the administration of this chapter and affecting the order appealed from, but the court shall otherwise hear the case upon the record as attested by the board, and shall in all respects dispose of the appeal in a summary manner. Its review shall be limited to determining whether or not:

(a) The board acted without or in excess of its powers;

(b) The order appealed from was procured by fraud;

(c) If questions of fact are in issue, whether or not any substantial evidence supports the order appealed from.

(3) After such a hearing the court shall enter a judgment sustaining or setting aside the order of the board appealed from *or remanding the case to the board for further consideration.*

(4) If the appeal is from an order of the board refusing, revoking or suspending a license, the costs shall be taxed against the applicant or licensee in any event. If the appeal is from an order issuing or refusing to revoke or suspend a license, the costs shall be taxed against the citizen who, feeling himself aggrieved, has contested the order, if the order of the board issuing or refusing to revoke or suspend the license is sustained. If the order is set aside with direction to the board to refuse, revoke or suspend the license, the costs shall be taxed against the licensee.

Section 7. Sections 243.080 and 243.190 of the Kentucky Revised Statutes are repealed.

Section 8. Whereas, the uniform licensing and regulation of practices relating to alcoholic beverages is of primary importance to this Commonwealth, an emergency is declared to exist, and this Act shall become effective upon its passage and approval by the Governor.

SB 146, AN ACT relating to notaries public.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Section 64.300 of the Kentucky Revised Statutes is amended to read as follows:

(1) The fees of notaries public for the following services shall be *not more than set out in the following schedule:*

Every attestation, protestation, or taking acknowledgment of any instrument of writing, and certifying the same under seal *including, but not limited to, the notarization of absentee ballots*	$0.50
Recording same in book to be kept for that purpose	.75
Each notice of protest	.25
Administering oath and certificate thereof	.20

(2) No fee or compensation shall be allowed or paid for affixing the jurat of a notary public to any application, affidavit, certificate or other paper necessary to be filed in support of any claim for the benefits of Federal legislation for any person or his dependents who has served as a member of the Army, Navy, or Marine Corps of the United States.

HB 603, AN ACT relating to the establishment of a burial ground for commemoration of citizens of Kentucky killed in military service.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. A new section of Chapter 36 of the Kentucky Revised Statutes is created to read as follows:

(1) The Department of Military Affairs is authorized to establish and administer an appropriate burial ground for the purpose of providing burial plots for certain citizens killed in the military service of the state or country.

(2) The Department of Military Affairs shall, to fulfill the

stated purposes in subsection (1), assume administration of the burial ground located in Frankfort Cemetery which has already been set aside for such purpose.

(3) Burial in the State Burial Ground, provided by subsections (1) and (2), shall be authorized on the following basis only:

(a) One combat casualty of each Armed Service for each armed conflict in which the United States is or was engaged may be buried in the State Burial Ground;

(b) The individual to be buried is to be selected on the basis of the first application received by the Department of Military Affairs for interment of a member of that Service.

(4) Any member of the Kentucky National Guard who is killed while on State Active Duty or in the service of his country in time of armed conflict may be buried in the State Burial Ground.

HB 544, AN ACT relating to the sharing of case information by state and local governmental agencies.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

A new section of the Kentucky Revised Statutes is created to read:

(1) Notwithstanding any existing state statute or regulation to the contrary, any pertinent information concerning individual clients, patients or applicants in the possession of the Department of Corrections, Department of Child Welfare, Department of Economic Security, Department of Education, Department of Health, Department of Mental Health, or any other state or local governmental agency may be shared with any authorized representative of any other state or local governmental agency of similar function if such agency has a direct, tangible, legitimate interest in the individual concerned or his immediate family.

(2) Any state agency designated in subsection (1) of this Act may share pertinent information concerning a client, patient or applicant with any private or quasi-private agency when such

agency has an agreement with that state agency assuring the confidentiality of all such information, and provided that the private or quasi-private agency has a direct, tangible, legitimate interest in the individual concerned or his immediate family.

HCR 90, A CONCURRENT RESOLUTION directing the Legislative Research Commission to study the economic impact of toll road facilities.

WHEREAS, registration fees and fuel taxes are paid by highway users to the State of Kentucky for the construction and maintenance of our state system of highways; and

WHEREAS, the road fund is a protected source of monies, dedicated against diversion by Constitutional amendment; and

WHEREAS, toll roads have been constructed and are now being constructed for the development of areas within our Commonwealth; and

WHEREAS, these toll roads having been constructed for the welfare and financial benefit of all our citizens, even though tolls for use by highway users are insufficient to meet the payment to holder of toll road bonds; and

WHEREAS, the deficit payments on toll road bonds are also paid by highway users directly from road fund collections;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the Commonwealth of Kentucky, the Senate concurring therein:

Section 1. That the Legislative Research Commission is hereby authorized and directed to conduct a study to determine the economic impact on community and industrial development experienced by communities which should happen to benefit from their proximate locations to a toll road facility financed by highway users.

Section 2. That, on or before September 1, 1971, the Legislative Research Commission shall report its findings to the Governor and to the Interim Committee on Appropriations and Revenue.

The Committee on Elections and Constitutional Amendments reported **SB 15, HB 259** and **HB 113** with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

SB 15, AN ACT relating to registration of voters.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Section 117.715 of the Kentucky Revised Statutes is amended to read as follows:

(1) The board of registration commissioners shall acquire and maintain a permanent office and equip it in such manner as it deems necessary. The office shall be maintained and kept open to the public every day, except Sundays and holidays, between the hours of 9:00 a.m. and 4:30 p.m. except that the board may authorize the office to be closed at 1:00 p.m. on Saturdays. The board also may keep the office open to the public at night or at such other hours as the board may determine, not inconsistent with the provisions of KRS 117.600 to 117.895. The board [may] *shall* establish [such] temporary branch offices, not exceeding one for each ward, [as it deems necessary,] and keep them open for not more than one week in each of the months of *March* [May], June *and* August [and September.]

(2) The board shall prescribe and provide all forms, records and paraphernalia required for the conduct of registration.

Section 2. Section 117.620 of the Kentucky Revised Statutes is amended to read as follows:

(1) Any person possessing the qualifications for registration as a legal voter may appear before the county clerk of the county of his residence or at the temporary branch offices authorized by the county board of registration and purgation, or at the permanent office or a branch office of the board of registration commissioners if he resides in a city of the first class, and register, or change his party affiliation, at any hour of any day that the office of the county clerk or said temporary branch office or the board of registration commissioners is open for business except as otherwise provided in subsection (4) of this section.

The county clerk of every county and the board of registration commissioners of every city of the first class shall cause all registration books or lists to be closed fifty-nine days prior to, and five days following, any primary or general election, and ten days prior to any special election or city primary election held under the provisions of KRS 89.060 and KRS 89.440, and no voter shall be registered or be permitted to change his registration or party affiliation during the period that the books are closed; except that, the registration books shall be closed only in those precincts in which the election is held.

(2) *In all counties containing cities of the first class, the county clerk, or board of election commissioners as provided in KRS 117.715, shall establish temporary branch registration offices.* In all *other* counties the county clerk, when authorized by the county board, shall receive registrations, transfers, or change of party affiliation at branch offices at any place in the county, provided such offices are housed in a public building to be selected by the county board. The branch offices shall not be open for a longer period than fifteen days, prior to the closing of the registration books prior to any primary or general election, and but one branch office shall be open in any county at the same time. Any person possessing the qualifications for registration as a legal voter of any voting precinct in the county may appear before the clerk during the period the books are open at the office or branch office, and register or change his party affiliation or transfer his registration card.

(3) For the purpose of registering voters in a city of the second or third class which is not the county seat, the county clerk shall maintain a branch office in the courthouse or city hall of the city and take thereto the registration books for each voting precinct in the city and keep them there during the periods the books are open.

(4) Any voter who wishes to change his party affiliation and who does not wish to apply in person may apply to the county clerk, or the board of registration commissioners if he resides in a city of the first class, by letter or by form which may be provided. The clerk or board shall then mail a notice to the address of the voter appearing on the existing registration records, stating that such application has been made and the particulars

thereof, and that the change will be made unless protest is filed at the office of the clerk or the board within ten days from the date of notice. If no protest is filed within the ten-day period, the county clerk or the board shall change the party affiliation of the voter as requested. If a protest is filed, the change shall not be made until the clerk or the board has investigated the matter and given the protesting voter an opportunity to be heard. The date on which the change is made shall be noted on the voter's registration record. No change of party affiliation shall be made except on those days when registrations are allowed under subsection (1) of this section.

HB 259, AN ACT relating to comparative signature books, requiring voter to sign both name and address.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Section 117.745 of the Kentucky Revised Statutes is amended to read as follows:

Section 117.745 Comparative signature books; comparison of voter's signature and *voter's address* with registration record; voting record.

(1) Prior to every primary, special, or regular election in a city of the first class, the county clerk shall have prepared for each precinct of the city a comparative signature book which shall be in permanent form and contain sufficient blank sheets of non-detachable type to afford reasonable space for as many signatures and *addresses* as there are registered voters in the precinct. The county clerk shall follow the instructions of the board of registration commissioners with respect to the exact form and makeup of the comparative signature and *address* books along with other election paraphernalia to the clerks of election of the several precincts who shall sign a receipt therefor. Before a vote is cast by any person, at any primary, special, or regular election in a city of the first class, he shall sign his name and *address* in the comparative signature and *address* book, unless he signed his registration record by making his mark, and the officers of election shall compare the signature and *address* of every such person with the signature and *address* of that person on the registration record form in the precinct register. The

challengers of the respective political parties present shall also have the right to compare the signature and *address* at the time the comparison is made by the officers of election. If the comparison of signatures and *addresses* creates a doubt in the minds of two of the election officers as to whether the person applying to vote is the same person as the registrant, no vote shall be cast by him unless he otherwise satisfactorily establishes his identity as the registrant. When the polls close, the precinct sheriff and judge of the opposite political faith shall forthwith convey the comparative signature and *address* book to the place where the county clerk receives other election paraphernalia. The board of registration commissioners shall have at that place, plainly identified, a duly authorized representative to whom the sheriff and judge aforesaid shall deliver the comparative signature and *address* books for at least the next two succeeding primary and general elections.

(2) If any person applying to vote at an election states that he cannot sign his name and *address*, the judge of election shall immediately swear him as to his name and *address* and his inability to write, and thereupon the judges and the challengers of the respective political parties shall examine the registration record in the precinct register, and if it is shown by that record that the person of that name and *address* signed his name and *address* on the registration record, said person shall not be permitted to cast a vote, unless his inability to sign his name and *address* at the date of the election is due to some physical disability arising subsequent to his registration. The election officers shall make and return to the board a record sheet of each person so sworn, showing the disposition made of each case, which shall be delivered to the Commonwealth's attorney within ten (10) days of the election. The record sheets shall be provided as other election paraphernalia.

Section 2. A new section of the Kentucky Revised Statutes is created to read as follows:

Any person who refuses to provide the information required by this Act, or who falsely provides such information shall be punished by a fine of not less than $500 nor more than $1,000, and imprisonment in the county jail for not more than 6 months.

HB 113, AN ACT relating to the time allowed for recanvassing votes.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Section 125.190 of the Kentucky Revised Statutes is amended to read as follows:

The canvass and returns provided for in KRS 125.150 shall constitute the official returns of the precinct, unless within *168* [ninety-six] hours after the close of the polls a candidate shall in writing request the county election commission to check and recanvass the voting machines of any precinct or any number of precincts. When such a request has been made the election commission shall *notify all candidates in the contested election of the request and any affected candidate shall have twenty-four hours from receipt of said notice to request any recanvass he may desire, and shall* immediately assemble and recheck and recanvass each machine and make a proper return thereof to the county court clerk, in which event the canvass and return shall become the official returns for the election. In making the recanvass the board shall make a record of the number of the seal upon the voting machine and without unlocking the machine against voting, recanvass the vote cast thereon. If, upon a recanvass, it is found that the original canvass of the returns has been correctly made from the machine, and that there still remains a discrepancy unaccounted for, the board with the assistance of the county clerk, shall unlock the voting and counting mechanism of the machine, and shall proceed thoroughly to examine and test the machine to determine and reveal the true cause, if any, of the discrepancy in returns of the machine. Each registering counter shall be reset at zero before it is tested, after which it shall be operated at least one hundred times. After the completion of the examination and test, the county clerk shall then and there prepare a statement, in writing, giving in detail the result of the examination and test and statement which shall be witnessed by the persons present, and shall be filed with the board. If, upon recanvass, it appears that the original canvass of the returns by the election officers was incorrect, the returns and all papers being prepared by the board shall be corrected accordingly, except that there shall be no change in

the vote of any candidate from that originally certified unless such candidate was actually notified. At the recanvass, each political party represented on the board may appoint a representative there to be its governing body, and also each candidate to be voted for may be present either in person or by a representative or both.

The Committee on Banking and Insurance reported **HB 705** with Committee Amendment attached thereto, **HB 684, HB 609, HB 574** and **HB 285** with Committee Amendment attached thereto, with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 705, AN ACT relating to installment loans.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Subsection (1) of Section 287.215 of the Kentucky Revised Statutes is amended to read as follows:

(1) In addition to the powers heretofore granted, any bank or trust company or combined bank and trust company shall have the power to lend money; to charge or to receive in advance interest therefor; to contract for a charge for a secured or unsecured installment loan, and which under its terms shall be repayable in [substantially equal] installments over a period of not exceeding *seven* [five] years and thirty-two days, which charge shall be at a rate not exceeding six dollars per one hundred dollars per annum upon the first two thousand dollars of the principal amount of the loan, and not exceeding five dollars per one hundred dollars per annum upon the excess of the principal amount of the loan over two thousand dollars, which charge or charges shall be for the entire period of the loan and may be collected in advance.

Section 2. Subsection (2) of Section 287.215 of the Kentucky Revised Statutes is amended to read as follows:

(2) In addition to the charge permitted by this section, no further amount shall be directly or indirectly charged, contracted for, or received on any such installment loan, except lawful fees

actually paid to a public officer for filing, recording, or releasing any instrument securing the loan and delinquent charges as hereinafter set out, and except an investigation fee not exceeding one dollar for each fifty dollars or fraction thereof upon the first eight hundred dollars of the principal amount of such loans.

The Committee Amendment to **HB 705** is as follows:

Amend printed copy of House Bill 705 on page 2, lines 4 through 13, by striking those lines.

HB 684, AN ACT relating to motor vehicle property damage insurance.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. A new section of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) Any policy of insurance covering physical damage to a motor vehicle issued in this state shall provide that:

(a) The insured may select the repair garage to make repairs to a damaged motor vehicle for which an insurer is liable.

(b) No insurance company, its agents or adjusters shall direct the insured to any repair garage unless requested by the insured.

(c) Within three days, excluding Saturdays, Sundays and legal holidays after receiving notice of the location of such damaged vehicle, and repairer's itemized proposed charges for repairs of said vehicle, the insurer may examine the vehicle, and make an itemized offer in writing to repairer and insured for payment of repairs or actual cash value of the vehicle at the time of loss. If the insurer makes an offer to settle the matter for the actual cash value of the vehicle at the time of loss, the method of determining actual cash value in the policy shall apply. If the insurer fails to act within the three-day period the insurer shall be liable for charges for repairs made pursuant to the proposed charge previously furnished to the insurer by the repairer. If the insurer takes such action but the insurer and the repairer fail to agree as to the cost of repairs, the following procedure shall be used:

1. The repairer may agree in writing to be bound by the arbitration provisions.

2. Repairer and insurer shall first select a neutral appraiser; and failing for three days to agree upon such appraiser, then on request of the repairer or insurer, such appraiser shall be selected by a judge of a court of record in the state in which the motor vehicle covered by the insurance is located. The appraiser shall then appraise the loss, and itemize the cost of repairs. The appraiser's itemized award shall be filed with the insurer in writing, and is binding on both parties. The expenses of the selection and the use of the appraiser shall be paid equally by the insurer and the repairer.

3. Application to a court for the selection of an appraiser under subparagraph 2. shall be made to a judge of a court of record in the state in which the insured motor vehicle is located. Five days notice in writing must be served on the other party before application can be made. The application shall contain an affidavit by the applicant stating the failure or neglect of said parties to select such appraiser. The judge shall then appoint a competent disinterested person to act as appraiser.

4. If the repairer does not agree to the arbitration procedures under this section, he shall so advise the insured and the insurer within twenty-four hours of receipt of the insurer's offer. The insured may then remove the vehicle on payment of a reasonable storage charge. The insured may then follow the arbitration proceedings under this section in place of the repairer.

5. In determining estimates, all persons shall use an estimate form approved by the Commissioner of Insurance. An insurance company, its agents or adjusters requesting a repairer for a discount that if granted would result in the allowance of a rebate, refund or unearned discount, tending to injure a competitor or destroying or tending to destroy competition, is deemed to be an unfair trade practice and violates KRS 304.925 and the commissioner may take action under KRS 304.945.

(2) No policy referred to in subsection (1) of this section shall give the insurance company the right to elect to repair the car or substitute the value of the car for the obligation to make repairs.

(3) Policies referred to in subsection (1) of this section shall also provide, on an optional additional cost basis, that the insurer shall pay as part of the damages to the insured, a reasonable charge for motor vehicle rental excluding mileage, as agreed by the parties or determined by the neutral appraiser, commencing with the date of accident to the date of delivery of the repaired motor vehicle, but not exceeding the estimated time of repairs agreed upon by the repairer and the insurer, or decided by the appraiser. Such estimated time of repairs shall be increased by any unforeseen delays because of not receiving parts or because of unrevealed damage discovered after the original investigation, but before commencement of repair work.

(4) The procedures established in this section for the determination of costs of repairs, shall be used in the case of any damage to the motor vehicle discovered after commencement of the repairs.

(5) If the insurer denies liability under its policy, and if the insured prevails in any subsequent court proceedings determining liability, the insured shall in addition to damages recoverable under the policy and costs, be entitled to a reasonable amount for motor vehicle rental and a reasonable amount for attorney's fees from the time insurer denies liability. These amounts shall be determined by the court.

(6) Repair and motor vehicle rental charges not paid by insurer within one week after an award by a neutral appraiser or after settlement between the parties and satisfactory completion repairs, shall bear an interest penalty at the rate of 9 percent per year from such time until paid; or if liability is denied, from date of such denial to date of judgment for the insured. Payment for repairs shall be made jointly to insured and repairer.

(7) The commissioner shall make rules necessary to effectuate this section.

(8) Whoever does any of the following with the intent to defraud the insurance carrier may be fined not less than $100 nor more than $500 or imprisoned in the county jail for not less than thirty days nor more than one year or both:

(a) Presents or causes to be presented a false or fraudulent claim, or any proof in support of such claim, for the payment

of a loss, or other benefits under any contract or certificate of insurance; or

(b) Prepares, makes or subscribes to a false or fraudulent account, certificate, affidavit, proof of loss or other document or writing, with knowledge that the same may be presented or used in support of a claim for benefits under a policy of insurance.

Section 2. A new section of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1). Any person other than the insured having a cause of action against an insurer on a policy of insurance for physical damage to a motor vehicle may have any repairs made to such motor vehicle at any repair garage he selects.

(2) If the claimant and insurer agree as to the extent of insurer's liability, but not as to the actual cash value of the vehicle at the time of loss or the cost of repairs, the parties may by agreement submit the matter to a neutral appraiser under the arbitration procedure in Section 1 of this Act.

(3) Any claimant may bring an action for damages to a motor vehicle separate from any action for personal injury or damage to other property arising out of the same occurrence. In such action an itemized statement signed by the claimant's repairer shall be prima facie evidence of the necessity of such repairs, the reasonableness of the charges therefor and the time reasonably necessary to make such repairs. A finding as to liability in such separate action for damages to a motor vehicle shall not be admissible as evidence in a trial for personal injury or other property damage arising out of the same occurrence. If the claimant prevails, he shall, in addition to damages to such motor vehicle, be entitled to costs, a reasonable amount for motor vehicle rental for the time reasonably necessary to repair the damaged vehicle and a reasonable attorney's fee, computed from the time liability is denied, to be determined by the court. In addition, claimant shall recover a 9 percent per year interest penalty on damages and motor vehicle rental charges from the date liability was denied to the date of judgment.

(4) An insurance company, its agents or adjusters recommending or directing the claimant to any repair garage violates

KRS 304.925 unless requested to do so by the claimant. The commissioner may act under KRS 304.945 on such violations.

(5) In determining estimates for motor vehicle damages all persons shall use an estimate form approved by the commissioner. An insurance company, its agents or adjusters requesting a repairer for a discount that, if granted, would cause such repairer to tend to injure a competitor or destroy or tend to destroy competition is deemed to be in violation of KRS 304.925 and the commissioner may proceed under KRS 304.945 on such violations.

(6) Repair and motor vehicle rental charges not paid by insurer within one week after an award by a neutral appraiser or settlement between the parties and satisfactory completion of repairs, shall bear an interest penalty at the rate of 9 percent per year from such time until paid. Payment for repairs shall be made jointly to claimant and repairer.

(7) Any agreement reached between the parties or an award of a neutral appraiser shall not be construed as an admission of liability and shall not be admitted in evidence in any trial for personal injury or other property damage arising out of the same occurrence.

(8) The commissioner shall make rules necessary to effectuate this section.

(9) Whoever does any of the following with the intent to defraud the insurance carrier may be fined not less than $100 nor more than $500 or be imprisoned in the county jail for not less than thirty days nor more than one year or both:

(a) Presents or causes to be presented a false or fraudulent claim, or any proof in support of such claim, for the payment of a loss or other benefits under any contract or certificate of insurance; or

(b) Prepares, makes or subscribes a false or fraudulent account, certificate, affidavit, proof or loss or other document or writing, with knowledge that the same may be presented or used in support of a claim for benefits under a policy of insurance.

HB 609, AN ACT relating to the transfer of securities.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Section 140.250 of the Kentucky Revised Statutes is amended to read as follows:

(1) No safe deposit company, trust company, bank or other institution or person engaged in the business of renting safe deposit boxes or other receptacles of similar character shall rent any such box or receptacle without first requiring all persons given access thereto to agree in writing to notify the safe depository, bailee or lessor, from whom the box or receptacle is rented, of the death of any person having the right of access thereto, before seeking access to such box or receptacle after the death of such person. All persons having the right of access to any such safe deposit box or receptacle, before seeking access to the box or receptacle after the death of any other person having access thereto, must notify the depository, bailee or lessor, from whom the box or receptacle is rented, of the death of such person.

(2) No safe deposit company, trust company, bank or other institution or person having in possession or under control, custody or partial custody any safe deposit box or similar receptacle shall permit access thereto by anyone after the death of any person who, at the time of his death, had the right or privilege of access thereto, either as principal, deputy, agent or cotenant, without the consent of the Department of Revenue or a person authorized by it to issue such consent.

(3) No safe deposit company, trust company, bank or other institution or person having in possession or under full or partial control or custody securities, deposits or other property, including the shares of the capital stock of, or other interest in, the safe deposit company, trust company, bank or other institution, belonging to or standing in the name of a decedent or in the joint name of a decedent and another person, shall deliver or transfer the property to personal representatives, agents, deputies, attorneys, trustees, legatees, heirs or successors in interest of the decedent or to any other person, or to the survivor when held in the joint names of the decedent and another person, or upon their order or request, without retaining a sufficient portion thereof to pay any tax and interest that may thereafter be assessed thereon under this chapter, nor unless notice of the time and place of such delivery or transfer is served upon the Department of Reve-

nue at least thirty days prior to the proposed delivery or transfer. The department or a person authorized by the Commissioner of Revenue in writing may consent in writing to the delivery or transfer, and such consent shall relieve the safe deposit company, trust company, bank or other institution or person from the obligation under this section to give notice or to retain any portion of the property of the decedent in its lawful possession or control.

(4) The department may examine the property at the time of delivery or otherwise.

(5) Any safe deposit company, trust company, bank or other institution or person failing to comply with the provisions of this section shall be liable for the amount of taxes, interest and penalties due under this chapter on the property mentioned in this section. The penalties and liabilities for the violation of this section may be enforced in an action brought by the department in any court of competent jurisdiction.

(6) (a) Notwithstanding the foregoing provisions, securities owned by a nonresident decedent, or in which a nonresident decedent has an interest, may be transferred as permitted by law upon the filing with the transfer agent of the affidavit prescribed by subsection (b) of this section.

(b) The affidavit required by subsection (a) prior to the transfer of stock owned by, or in which an interest is held by, a nonresident shall state that the nonresident decedent had no property subject to the Kentucky Inheritance and Estate Tax, the reason therefor, and shall be in such form as the department may prescribe.

(c) The affidavit shall be filed by the personal representative of the nonresident decedent and a copy thereof shall be furnished to the Department of Revenue by the transfer agent.

HB 574, AN ACT relating to the registration of franchisors.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. A new section of Chapter 292 of the Kentucky Revised Statutes is created to read as follows:

A franchisor, meaning any individual or firm who has de-

veloped a certain marketable product or service, and extends to other individuals or firms (called franchisees) the right to engage in business using that product or service, provided they follow the established method of doing business, shall be subject to the registration provisions of KRS 292.330 except KRS 292.330 (7)(f). When KRS 292.330 is applied, the following words shall have the following meanings, unless the context otherwise requires:

(1) "Broker-dealer" means "franchisor"; and

(2) "Securities" means "franchise business."

Section 2. A new section of Chapter 292 of the Kentucky Revised Statutes is created to read as follows:

Any contract entered into between a franchisee and a franchisor who is not registered in accordance with the provisions of this Act shall be voidable at the option of the franchisee.

HB 285, AN ACT relating to banks and banking.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Section 287.020 of the Kentucky Revised Statutes is amended to read as follows:

(1) The *Commissioner* [director] of Banking may adopt rules and forms necessary and proper for the conduct of his *department* [division]. He shall devise a seal for his *department* [division], a description of which, together with an impression thereof and a certificate of approval by the Governor, shall be filed in the office of the Secretary of State. The seal shall be renewed whenever necessary.

(2) The *Commissioner* [director] of Banking and his deputies shall be allowed their necessary traveling and other expenses of conducting their office.

(3) Notwithstanding any restrictions elsewhere contained in this chapter, the Commissioner of Banking may prescribe, amend and repeal regulations authorizing banks or trust companies to engage in any banking activity in which such banks could engage were they operating as national banks at the time

such authority is granted, provided that such regulations shall have as their objective the placing of banks on a substantial competitive parity with national banks, in order that the dual banking system may be preserved.

Section 2. Section 287.030 is amended to read as follows:

(1) No persons as individuals or copartners shall engage in the business of private banking in this state.

(2) No bank or banking institution incorporated under the laws of another state shall transact any banking business in this state except to lend money.

[(3) No person shall, directly or indirectly, hold or own more than one-half of the capital stock of a bank or trust company, exclusive of stock held as collateral; but there is no limitation on the amount of capital stock that may be held by the United States or by a corporation in which the United States owns or holds a majority of stock.]

(3) No bank incorporated under the laws of the Commonwealth of Kentucky shall make any loan or discount on the security of the shares of its own capital stock, nor be the purchaser or holder of any such shares, except that a bank may take property of any kind to satisfy or protect a loan previously made in good faith and in the ordinary course of business; and stock so purchased or acquired, shall, within six months from the time of its purchase, be sold or disposed of at public or private sale. This subsection shall not affect or modify in any way KRS 386.025, but said section shall remain in full force and effect.

Section 3. Section 287.060 of the Kentucky Revised Statutes is amended to read as follows:

(1) Before any financial institution mentioned in KRS 287.040 may transact any banking or trust business, it shall file a written oath with the *Commissioner of Banking* [director of banking]. The oath shall be taken by each director of the institution, and shall state in substance:

(a) That such director is a citizen of the United States, and the State of Kentucky, or, if not, the place of his residence;

(b) That he will faithfully discharge the duties of his office and administer the affairs of the institution, so far as the duties of his office require;

(c) That he will uphold the laws of the state, and particularly the banking laws [; and].

[(d) That he is the bona fide owner of unencumbered shares, representing at least five hundred dollars par value, of the capital stock of the corporation of which he is a director.]

(2) The oath shall be taken before any officer authorized to administer oaths, and shall be taken upon the election of any subsequent director or reelection of any director. The oath shall be transmitted to the *Commissioner of Banking* [director of banking] immediately upon its execution and shall be filed and preserved by the *Commissioner* [director].

(3) After the oath has been filed, if the *Commissioner of Banking* [director of banking] is satisfied that all requisite laws have been complied with, he shall issue a certificate to the institution, setting out therein that such institution has subscribed and paid in the required capital, and otherwise fully complied with all pertinent laws and regulations. The certificate will entitle the institution to at once transact the business for which it was organized.

Section 4. Section 287.065 of the Kentucky Revised Statutes is amended to read as follows:

(1) Each director of a bank or trust company shall own in his own right unpledged capital stock of that bank or trust company having at least $500 par value, and the certificates of such stock shall remain separately in the exclusive custody and control of that bank or trust company during his term of office.

(2) A majority of the directors of any board must be residents of Kentucky during their term of office.

[Each director of a bank or trust company shall own, in his own right, five shares of capital stock, and a majority of the directors must be residents of Kentucky during their term of office.]

Section 5. A new section of Chapter 287 of the Kentucky Revised Statutes is created to read as follows:

(1) Whenever a change occurs in the outstanding voting stock of any bank which will result in control or in a change in the control of the bank, the president or other chief executive officer of such bank shall promptly report such facts to the Commissioner of Banking upon obtaining knowledge of such change. As used in this subsection, the term "control" means the power to directly or indirectly direct or cause the direction of the management or policies of the bank. A change in ownership of voting stock which would result in direct or indirect ownership by a stockholder or an affiliated group of stockholders of less than 10 percent of the outstanding voting stock shall not be considered a change of control. If there is any doubt as to whether a change in the outstanding voting stock is sufficient to result in control thereof or to effect a change in the control thereof, such doubt shall be resolved in favor of reporting the facts to the Commissioner of Banking.

(2) Whenever a bank makes a loan or loans, secured, or to be secured, by 25 per centum or more of the outstanding voting stock of a bank, the president or other chief exectuive officer of the lending bank shall promptly report such fact to the Commissioner of Banking upon obtaining knowledge of such loan or loans, except that no report need be made in those cases where the borrower has been the owner of record of the stock for a period of one year or more, or the stock is that of a newly organized bank prior to its opening.

(3) The reports required by paragraphs (1) and (2) of this section shall contain the following information to the extent that it is known by the person making the report: (a) the number of shares involved, (b) the names of the sellers (or transferors), (c) the names of the purchasers (or transferees), (d) the names of the beneficial owners if the shares are registered in another name, (e) the purchase price, (f) the total number of shares owned by the seller (or transferors), the purchasers (or transferees) and the beneficial owners both immediately before and after the transaction, and in the case of a loan, (g) the name of the borrower, (h) the amount of the loan, and (i) the name of the bank issuing the stock securing the loan and the number

of shares securing the loan. In addition to the foregoing, such reports shall contain such other information as may be available to inform the Commissioner of Banking of the effect of the transaction upon control of the bank whose stock is involved.

(4) Whenever such a change as described in paragraph (1) of this section occurs, each bank shall report promptly to the Commissioner of Banking any changes or replacement of its chief executive officer or of any director occurring in the next twelve-month period, including in its report a statement of the past and current business and professional affiliations of the new chief executive officer or directors.

Section 6. Section 287.100 of the Kentucky Revised Statutes is amended to read as follows:

A bank may:

(1) Hold such personal property as has been transferred to it as collateral for the payment of any debt;

(2) *Upon approval by the Commissioner of Banking, acquire and hold title to real estate. provided:*

(a) such real estate is necessary for the transaction of legitimate business, and

(b) the value of such real estate, including furniture and fixtures, shall not exceed forty percent of the total paid in capital, unimpaired surplus and undivided profits (determined on accrual basis). The Commissioner may permit the investment of a larger amount. [Acquire and hold title to such real estate as may be necessary for the transaction of its legitimate business;]

(3) Acquire and hold for not longer than 10 years, any real estate conveyed to it in satisfaction of debts previously contracted in the course of its business, or that it may purchase under a judgment in its favor;

(4) Invest in the bonds of any Federal Home Loan Bank;

(5) Invest in any bonds issued by or for federal land banks and any debentures issued by or for federal intermediate credit banks under the Act of Congress known as the "Federal Farm Loan Act," and amendments thereto, and any debentures issued by or for banks for cooperatives under the Act of Congress known

as the "Farm Credit Act of 1933," and any amendments thereto;

(6) Invest, subject to the approval of the Commissioner of Banking, in the capital stock or bonds or both of any domestic realty corporation organized or existing for the sole purpose of acquiring and holding title to real property used by the bank, through lease or otherwise, for the transaction of the bank's legitimate business.

Section 7. A new section of Chapter 287 of the Kentucky Revised Statutes is created to read as follows:

(1) With the approval of the Commissioner of Banking a bank or trust company may, at any time, by resolution of its Board of Directors, which resolution shall have been approved at a stockholders' meeting by two-thirds of the outstanding capital stock of the bank, issue and sell its capital notes or debentures in an amount not in excess of 50% of its capital and unimpaired surplus. The aggregate amount of such capital notes or debentures issued or sold by a bank or trust company shall be exempt from the limitations and restrictions on indebtedness.

(2) Such capital notes and debentures shall be subordinate to the claims of creditors and depositors and it shall be provided in any such capital notes or debentures that in the event of liquidation all depositors and other creditors of the bank shall be entitled to be paid in full with such interest as may be provided by law before any payment shall be made on account of principal of or interest on said capital notes or debentures and may provide that after payment in full of all sums owing to such depositors and creditors the holders of such capital notes shall be entitled to be paid from the remaining assets of the bank the unpaid principal amount of the capital notes or debentures plus accrued and unpaid interest thereon before any payment or other distribution, whether in cash, property or otherwise, shall be made on account of any capital stock of the bank.

(3) The capital notes or debentures shall in no case be subject to any assessment. The holders of such capital notes or debentures shall not be liable for any debts, contracts, or engagements of such bank, nor for assessments to restore impairments in the capital of such bank, unless the holder is a stockholder in such bank,

(4) Such capital notes or debentures issued or sold by a bank or trust company shall be considered as a portion of the capital and unimpaired surplus or capital structure of the issuing bank and shall be considered as such in determining the bank's legal lending or investment limits, and for other purposes, when based upon the capital and unimpaired surplus of the bank; except that such capital notes and debentures shall not be considered in determining the amount of ad valorem taxes payable by the bank or trust company.

(5) No such capital notes or debentures may be retired or paid by the bank or trust company if at the time of retirement or payment or immediately after there be an existing deficiency of the bank's capital stock, as determined by the Commissioner of Banking.

(6) No such capital notes or debentures shall be issued or sold by a bank or trust company except for cash, and no bank or trust company which issues such capital notes or debentures shall acquire or hold any of its capital notes or debentures in its own assets or in fiduciary capacity. Any of its own notes or debentures acquired by a bank contrary to the provisions of this section of the statute, shall be forthwith disposed of by sale or charged to its undivided profits account.

(7) Wherever the terms "capital", "capital stock", or "capital structure" are used in this section, they shall be construed to have reference only to capital actually paid in and capital stock actually issued.

Section 8. Section 287.290 of the Kentucky Revised Statutes is amended to read as follows:

In the case of obligations to banks and trust companies, the limitations and restrictions of KRS 287.280 shall not apply to:

(1) Obligations of the United States or of the State of Kentucky;

(2) Obligations guaranteed as to principal and interest by the United States or the State of Kentucky; or all obligations to the extent secured or covered by guarantees or by commitments or agreements to take over or to purchase the same made by any Federal Reserve Bank or by the United States or by any depart-

ment, bureau, board, commission or establishment of the United States, including any corporation wholly owned directly or indirectly by the United States; or consolidated bonds issued by or for federal land banks or consolidated debentures issued by or for federal intermediate credit banks under the Act of Congress known as the "Federal Farm Loan Act," and amendments thereto; or consolidated debentures issued by or for banks for cooperatives under the Act of Congress known as the "Farm Credit Act of 1933," and amendments thereto; or obligations issued by the federal home loan banks; or obligations which are insured by the Federal Housing Administrator pursuant to Title 12, Section 12, Section 1713, United States Code, if the debentures to be issued in payment of such insured obligations are guaranteed as to the principal and interest by the United States; or obligations of national mortgage associations; *except that the Commissioner of Banking may make, alter and repeal regulations respecting the total liabilities of any person which: (1) are secured by direct obligations of the United States or the State of Kentucky, and (2) have a face value at least equal to the amount of such liabilities, and (3) will mature within 5 years from the date such liabilities were incurred by the bank.*

(3) Obligations of Kentucky counties and school districts incurred through borrowing in anticipation of the current year's tax receipts as authorized by KRS 68.320 and 160.540.

Section 9. Section 287.300 of the Kentucky Revised Statutes is amended to read as follows:

(1) *Each bank and trust company organized under the laws of this state and authorized to receive deposits shall keep on hand at all times at least 7% of its total demand deposits and 3% of its total time and savings deposits; and in cities which are reserve or central reserve cities under the Federal Reserve Act (38 Stat. 251), as amended, at least 10% in reserve cities and 13% in central reserve cities of its total demand deposits and 3% of its total time and savings deposits. All reserves required by this subsection shall consist of lawful money of the United States in the office and vaults of the bank, checks in process of collection, drawn on a bank, private bank, or any other banking institution, which are payable immediately upon presentation of the United States, including checks with a Federal Reserve bank in process*

of collection and checks on hand which will be presented for payment or forwarded for collection on the following business day, Government checks and warrants drawn on the Treasurer of the United States which are in process of collection, and such other items in process of collection, payable immediately upon presentation in the United States, as are customarily cleared or collected by banks as cash items; provided, that (1) the reserve against savings and time deposits may be ***invested in bonds of the United States or of the Commonwealth, at the market value thereof, and in certificates of deposit issued by any state or national bank or trust company chartered or domiciled in this State; and (2) a maximum of 25% of the reserve against demand deposits may be invested in (a) obligations of the United States, or any bureau or agency thereof, which are fully guaranteed as to principal and interest by the United States and which mature within one year after the date such obligations are first considered as a part of the legal reserve of the bank, or (b) certificates of deposit issued by any state or national bank or trust company chartered or domiciled in this State, or (c) any combination of (a) and (b). Any bank which is a member of the Federal Reserve System may, in lieu of the reserve herein required, keep and maintain such reserve as is required under the Acts of Congress relating to Federal Reserve Banks.*** [Each bank and trust company, organized under the laws of this state and authorized to receive deposits, shall keep on hand, at all times, at least seven percent of its total demand deposits and three percent of its total time and savings deposits; and, in cities which are reserve or central reserve cities, under the Federal Reserve Act (38 Stat. 251) as amended, at least ten percent in reserve cities and thirteen percent in central reserve cities, of its total demand deposits and three percent of its total time and savings deposits. One-third of all reserves required by this subsection shall be in money and the remainder may be in balances due from other banks and subject to call.]

(2) The *Commissioner* [Director] of Banking, in his discretion, may require any bank or trust company organized under the laws of this state to keep on hand not exceeding twice the amount of deposits required to be kept on hand by subsection (1) [, but such requirement shall not require any greater amount of cash to be kept on hand than is required by subsection (1)].

(3) Any bank or trust company, incorporated under the laws of this state, which becomes a member of a Federal Reserve Bank, shall be subject to all the provisions of the Federal Reserve Act and its amendments, and the regulations of the Federal Reserve Board applicable to such bank or trust company, and shall have all the powers and assume all the liabilities conferred and imposed by the Act in regard to state member banks. Such bank or trust company shall comply with the reserve requirements of the Federal Reserve Act and its amendments, and such compliance shall relieve the bank or trust company from compliance with the laws of this state relating to the maintenance of reserves.

(4) As used in this section:

(a) "Demand deposits" include all deposits within thirty days; and

(b) "Time deposits" include all deposits payable after thirty days and all savings accounts and certificates of deposit which are subject to not less than thirty days' notice before payment.

(5) The reserve or reserves required by this Section shall be computed as of the opening of business on every other Thursday (unless Thursday is a legal holiday, in which event said computation shall be made as of the opening of business on the next succeeding business day) or such other day as the Commissioner of Banking may from time to time establish for such calculation. Such calculation shall be computed on the basis of the average daily demand or savings and time deposits of such bank or trust company covering the biweekly period immediately preceding the day fixed herein for such computation.

Section 10. A new section of the Kentucky Revised Statutes is created to read as follows:

(1) If the Commissioner of Banking has knowledge or reasonable cause to believe that any bank is about to engage or has engaged in violations of law, or charter, rule or regulation by the Department of Banking, or in unsafe or unsound business practices, he may issue and serve upon the bank a notice of charges containing a statement of facts with respect to alleged violations or practices, and not earlier than 30 days nor later than 60 days after service of such statement fix the time and place at

which a hearing will be held to determine whether an order to cease and desist should issue against the bank.

(2) Unless the bank shall appear at the hearing by a duly authorized representative, it shall be deemed to have consented to the issuance of the cease and desist order.

(3) In the event of such consent, or if upon the record made at any such hearing the Commissioner of Banking shall find that any violation or unsafe or unsound practice specified in the notice of charges has been established, he may issue and serve upon the bank an order to cease and desist from any such violation or practice and, further, to take affirmative action to correct the conditions resulting from any such violation or practice.

(4) If the Commissioner shall determine that the violation or practice, as specified in the notice of charges pursuant to subsection (1) of this section, or the continuation thereof, is likely to cause insolvency or substantial dissipation of assets or earnings of the bank, or is likely to otherwise seriously prejudice the interests of its depositors, he may issue a temporary order requiring the bank to cease and desist from any such violation or practice.

(5) A cease and desist order or temporary cease and desist order shall become effective upon service upon the bank or at the expiration of not more than 30 days after the date of service. Unless set aside, limited or suspended, as provided by subsection (6) of this section, a cease and desist order shall remain effective and enforcible pending completion of the administrative proceedings until the Commissioner shall dismiss all specified charges, or, where a temporary cease and desist order has issued, until the effective date of a cease and desist order.

(6) Within 10 days after service of a temporary cease and desist order, the bank may apply to the circuit court for the county in which the bank is located, or the Circuit Court of Franklin County, for an injunction setting aside, limiting, or suspending the enforcement, operation or effectiveness of such order pending completion of administrative proceedings, and such court shall have jurisdiction to issue an injunction.

(7) In the cease of violation or threatened violation of, or

failure to obey, a temporary cease and desist order issued pursuant to this section, the Commissioner of Banking may apply to the circuit court for the county in which the bank is located, or the Circuit Court of Franklin County, for an injunction to enforce such order, and it shall be the duty of the court to issue such injunction.

The Committee Amendment to **HB 285** is as follows:

Amend printed copy of House Bill 285 on Pages 2 and 3, lines 9 through 28 and 1 through 3 respectively, by striking those lines

and on page 3, line 4, page 4, lines 7 and 20, page 6, line 14, page 7, line 18, page 9, line 20, page 10, line 27, page 13, line 26, by renumbering Sections 3, 4, 5, 6, 7, 8, 9 and 10 as Sections 2, 3, 4, 5, 6, 7, 8 and 9 respectively.

The Committee on Labor and Industry reported **SB 182** and **SB 6** with Committee Amendment attached thereto, with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

SB 182, AN ACT relating to workmen's compensation.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Section 342.003 of the Kentucky Revised Statutes is amended to read as follows:

As used in [KRS 342.016 and 342.017] *this chapter:*

(1) "Employer" shall mean and include individuals, partnerships, voluntary associations, and private corporations; *and, for purposes of self insurance, voluntary associations and their members.*

(2) "Hazardous occupations" shall mean and include:

(a) All work in and about quarries and mines of all kinds;

(b) All work in the construction and repair of tunnels, subways, and viaducts;

(c) All work when making, using, or necessitating dangerous proximity to gunpowder, blasting powder, dynamite, compressed air, or any other explosive;

(d) The erection or demolition of any bridge, building or structure;

(e) The operation of all elevators, elevating machines, or derricks, or hoisting apparatus used within or on the outside of any bridge, building or other structure for conveying materials in connection with the erection or demolition of such bridge, building or structure;

(f) All work on ladders or scaffolds of any kind elevated twenty feet or more above the ground, water, or floor beneath, in the erection, construction, repair, painting, or alteration of any building, bridge, or structure, or other work in which the same are used;

(g) All work of construction, operation, alteration, or repair where wires, cables, switchboards or other apparatus or machinery are in use charged with electrical current;

(h) All work in the construction, alteration or repair of pole lines for telegraph, telephone or other purposes;

(i) All work in mills, shops, works, yards, plants and factories where steam, electricity or any other mechanical power is used to operate machinery and appliances in and about such premises;

(j) All other employments not heretofore enumerated carried on by any employer in which there are engaged or employed three or more workmen or operative regularly, in the same business or in or about the same establishment, either upon the premises or at the plant or away from the plant of the employer, under any contract of hire, express or implied, oral or written, except farm laborers, domestic servants, sales people and store clerks, clerks, stenographers, and professional assistants engaged wholly in office work.

SB 6, AN ACT relating to activity on Sunday.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Section 436.160 of the Kentucky Revised Statutes is amended to read as follows:

(1) Any person who works on Sunday at his own or at any

other occupation or employs any other person, in labor or other business, whether for profit or amusement, unless his work or the employment of others is in the course of ordinary household duties, work of necessity or charity or work required in the maintenance or operation of a public service or public utility plant or system, shall be fined not less than two dollars nor more than fifty dollars. The employment of every person employed in violation of this subsection shall be deemed a separate offense.

(2) Persons who are members of a religious society which observes as a Sabbath any other day in the week than Sunday shall not be liable to the penalty prescribed in subsection (1) of this section, if they observe as a Sabbath one day in each seven.

(3) Subsection (1) of this section shall not apply to amateur sports, athletic games, *or* operation of *grocery stores whose principal business is the sale of groceries and related food items, drug stores whose principal business is the sale of drugs and related items, gift shops, souvenir shops, fishing tackle shops and bait shops,* moving picture shows, chautauquas, filling stations or opera.

[(4) Any person who holds any boxing or wrestling match or exhibition on Sunday shall be fined not less than ten dollars nor more than one hundred dollars.]

(4) [(5)] Any person licensed to keep, or any person controlling, a billiard, pigeon-hole or pool table who permits any game to be played on it on Sunday shall be fined not less than twenty-five dollars nor more than sixty dollars, and forfeit his billiard, pigeon-hole or pool table license if he holds such a license.

[(6) Any person who hunts game, with a gun or dogs, on Sunday shall be fined not less than five dollars nor more than fifty dollars.]

(5) (a) Notwithstanding any provision of this section to the contrary, the legislative body of any county may enact ordinances or orders permitting and regulating retail business on Sunday.

(b) Notwithstanding any provision of this section to the contrary, the legislative body of any city of the first, second or

third class may enact ordinances or orders permitting and regulating retail business on Sunday, regardless of whether or not the county has adopted a similar ordinance or order.

(6) Any employe shall upon his request be granted time off to attend church on Sunday allowing one hour for preparing to go and traveling to church and one hour after church for returning therefrom, without jeopardy to his employment.

Section 2. A new section of Chapter 337 of the Kentucky Revised Statutes is created to read as follows:

No employer shall discharge or otherwise deny employment to an employe because of the employe's refusal to work on his day of worship.

The Committee Amendment to **SB 6** is as follows:

Amend printed copy of Senate Bill 6 on pages 2 and 3, lines 22 through 28 and 1 and 2 respectively, by striking all those lines and on page 3, line 3, by renumbering subsection "*(6)*" as "*(5)*" and on page 3, below line 11, by adding the following:

"Section 3. A new section of Chapter 436 of the Kentucky Revised Statutes is created to read as follows:

The people of a county may elect by local option to exempt the county from the operation of KRS 436.160. The procedure to be followed in any such election shall be similar to that set out in KRS 242.130 to 242.180, with the following exceptions:

(1) The territory affected by the election shall be an entire county;

(2) The election shall be held at the same time as a regular election:

(3) The question to be submitted to the voters shall be, "Are you in favor of exempting _____ County from the operation of KRS 436.160, relating to activities prohibited on Sunday?"

(4) If the voters reject the question at any election, another election on the question shall not be held within two years."

The Committee on Banking and Insurance reported **SB 253**, with Committee Amendment attached thereto, with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

SB 253, AN ACT providing the Kentucky Insurance Code.

WHEREAS, a great need exists in the Commonwealth of Kentucky for an insurance code that would contain, among other things, the following protections:

(a) Protect policyholders and all having an interest under insurance policies;

(b) Implement the public interest in the business of insurance;

(c) Provide adequate standards of solvency of insurers, and of integrity and competence in conduct of their affairs in the home offices and in the field;

(d) Prevent misleading, unfair and monopolistic practices in insurance operations; and

(e) Continue to provide the state of Kentucky with a comprehensive, modern and adequate body of law, in response to the McCarran Act (Public Law 15, 79th Congress, 15 U.S.C. § § 1011 to 1014, inclusive), for the effective regulation and supervision of insurance business transacted within, or affecting interests of the people of this state; and

WHEREAS, the provisions of such a code should be given reasonable and liberal construction for the fulfillment of these purposes;

NOW, THEREFORE,

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SUBTITLE 1

Section 1. A new section of Subtitle 1 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

This Act constitutes the Kentucky Insurance Code. This Act consists of thirty-four subtitles, Subtitles 1 to 33 and Subtitle 99. The General Assembly intends that each subtitle retain its separate identification within Chapter 304 of the Kentucky Revised Statutes.

Section 2. A new section of Subtitle 1 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

"Person" includes an individual, insurer, company, association, organization, Lloyd's insurer, society, reciprocal insurer or inter-insurance exchange, partnership, syndicate, business trust or corporation, and every other related legal entity.

Section 3. A new section of Subtitle 1 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

"Insurance" is a contract whereby one undertakes to pay or indemnify another as to loss from certain specified contingencies or perils called "risks," or to pay or grant a specified amount or determinable benefit or annuity in connection with ascertainable risk contingencies, or to act as surety.

Section 4. A new section of Subtitle 1 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

"Insurer" includes every person engaged as principal and as indemnitor, surety, or contractor in the business of entering into contracts of insurance.

Section 5. A new section of Subtitle 1 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) "Commissioner" means the commissioner of insurance of this state.

(2) "Department" means the department of insurance of this state, unless context otherwise requires.

Section 6. A new section of Subtitle 1 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

When in context signifying other than this state, "state" means any state, district, territory, commonwealth or possession of the United States of America.

Section 7. A new section of Subtitle 1 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) A "domestic" insurer is one formed under the laws of this state;

(2) A "foreign" insurer is one formed under the laws of any state, other than this state;

(3) An "alien" insurer is one formed under the laws of any country other than a state of the United States.

Section 8. A new section of Subtitle 1 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

The "domicile" of an insurer means:

(1) As to Canadian insurers, the province in which the insurer's principal office is located.

(2) As to other alien insurers authorized to transact insurance in one or more states, as provided in Section 27 of Subtitle 3 of this Act.

(3) As the alien insurers not authorized to transact insurance in one or more states, the country under the laws of which the insurer was formed.

(4) As to all other insurers, the state under the laws of which the insurer was formed.

Section 9. A new section of Subtitle 1 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

"Principal office" means:

(1) As to Canadian insurers, the office in Canada from which the general affairs of the insurer are directed or managed;

(2) As to other alien insurers authorized to transact insurance in one or more states, the office in the United States from which the general affairs of the insurer in the United States are directed or managed;

(3) As to all other insurers, the office from which the general affairs of the insurer are directed or managed.

Section 10. A new section of Subtitle 1 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) An "authorized" insurer is one duly authorized by a subsisting certificate of authority issued by the commissioner to transact insurance in this state.

(2) An "unauthorized" insurer is one not so authorized.

Section 11. A new section of Subtitle 1 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) A "certificate of authority" is one issued by the commissioner evidencing the authority of an insurer to transact insurance in this state.

(2) A "license" is authority granted by the commissioner pursuant to this code authorizing the licensee to engage in a business or operation of insurance in this state other than as an insurer, and the certificate by which such authority is evidenced.

Section 12. A new section of Subtitle 1 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

No provision of this code shall apply to:

(1) Fraternal benefit societies (as identified in Subtitle 29), except as stated in Subtitle 29.

(2) Nonprofit hospital, medical-surgical, dental and health service corporations (as identified in Subtitle 32) except as stated in Subtitle 32.

(3) Burial Associations (as identified in KRS Chapter 303), except as stated in Subtitle 31.

(4) Assessment or cooperative insurers (as identified in KRS Chapter 299).

(5) Insurance Premium Finance Companies (as identified in Subtitle 30), except as stated in Subtitle 30.

Section 13. A new section of Subtitle 1 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

Provisions of this code relative to a particular kind of insurance or a particular type of insurer or to a particular matter shall prevail over provisions relating to insurance in general or insurers in general or to such matter in general.

Section 14. A new section of Subtitle 1 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

The scope and meaning of any provision of this code shall not be limited or otherwise affected by the caption or heading of any chapter, section or provision.

Section 15. A new section of Subtitle 1 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

As used in this code and except as otherwise required by context, "chapter" means a particular numbered chapter of this code as indicated by context.

Section 16. A new section of Subtitle 1 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

Every license or certificate of authority in force on the effective date of this Act, and existing under any Act repealed by this Act, is valid until its original expiration date unless earlier terminated by express order pursuant to this code.

Section 17. A new section of Subtitle 1 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

Every form of insurance document and every rate or other filing lawfully in use on or lawfully filed by the effective date of this Act, may continue to be so used or be effective, until the commissioner otherwise prescribes pursuant to this code; except that neither this code nor the commissioner shall prohibit the use of any such document before expiration of one year from and after the enactment of this Act.

Section 18. A new section of Subtitle 1 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

No action taken by the commissioner nor proceeding commenced, nor right accrued, nor violation of law existing under any Act repealed by this Act, is affected by the repeal, but all procedure hereafter taken in reference thereto shall conform to this code as far as possible.

SUBTITLE 2

Section 1. A new section of Subtitle 2 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

There is continued a department of state government known as the Insurance Department.

Section 2. A new section of Subtitle 2 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) The Insurance Commissioner is the head of the Insurance Department.

(2) The commissioner shall be appointed by the Governor for a term not to exceed four years on the basis of his merit and fitness to perform the duties of the office as provided in KRS 12.040.

Section 3. A new section of Subtitle 2 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) Within thirty days from the time of notice of his appointment and before entering upon his duties, the commissioner shall take the oath of office as required by KRS 62.010.

(2) Within the same period the commissioner shall execute and deliver a surety bond, in favor of the Commonwealth of Kentucky, in the penal sum fixed by the Governor, but not less than $50,000 as required by KRS 62.160.

Section 4. A new section of Subtitle 2 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) The Department of Insurance shall have an official seal, in the form and design as so in use and on file in the office of the Secretary of State immediately prior to the effective date of this code.

(2) Every certificate or license issued by the commissioner shall bear the seal of the department.

Section 5. A new section of Subtitle 2 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

Every certificate, assignment or conveyance executed by the commissioner, relating to the business of insurance or an insurer, in pursuance of authority conferred by law, and sealed with the seal, shall be received as evidence, and may be recorded in the same manner and with the same effect as a deed regularly acknowledged or proved before an officer authorized by law to take the proof or acknowledgement of deeds.

Section 6. A new section of Subtitle 2 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

The commissioner may appoint his own deputies and divi-

sion directors with the prior written approval of the Governor as provided in KRS 12.050.

Section 7. A new section of Subtitle 2 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) The commissioner may from time to time contract for and procure, on a fee or independent contract basis, such additional actuarial, examination, rating, and other technical and professional services as he may require for the discharge of his duties, subject to any other applicable laws of this state.

(2) None of the individuals rendering such services shall be in the classified services of the state.

Section 8. A new section of Subtitle 2 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) The commissioner or any deputy, examiner, actuary, assistant or employe of the department, shall not be connected with the management of, or be financially interested, directly or indirectly, in any insurer, insurance agency or broker, or insurance transaction except as policyholder or claimant under a policy; except, that as to matters wherein a conflict of interest does not exist on the part of any such individual, the commissioner may employ or retain from time to time insurance actuaries, examiners, accountants, attorneys, or other technicians who are independently practicing their profession even though from time to time similarly employed or retained by insurers or others.

(2) No person shall directly or indirectly give or pay to the commissioner or any deputy, examiner, actuary, assistant, employe or technician retained by the department; and the commissioner, or any deputy, examiner, actuary, assistant, employe or technician retained by the department, shall not directly or indirectly receive or accept any fee, compensation, loan, gift or other thing of value in addition to the compensation and expense allowance provided by law, or by contract with the commissioner, for any service rendered or to be rendered, as such commissioner, deputy, examiner, actuary, assistant, employe or technician, or in connection therewith.

(3) Subsection (1) above shall not be deemed to prohibit

receipt by any such person of commissions or retirement benefits to which entitled by reason of services performed prior to becoming commissioner or prior to employment by the commissioner.

(4) The commissioner may conduct such examinations and ment and functioning of the commissioner as process agent of insurers or of nonresident licensees as provided for in this code.

Section 9. A new section of Subtitle 2 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) The commissioner may delegate to any deputy, assistant, counsel, actuary, examiner or employe of the department, the exercise or discharge in the commissioner's name of any power, duty or function, whether ministerial, discretionary or of whatever character, vested in or imposed upon the commissioner under this code.

(2) The official act of any such person so acting in the commissioner's name and by his authority shall be deemed to be an official act of the commissioner.

Section 10. A new section of Subtitle 2 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) The commissioner shall personally supervise the operations of the department.

(2) The commissioner shall examine and inquire into violations of this code, shall enforce the provisions of this code with impartiality and shall execute the duties imposed upon him by this code.

(3) The commissioner shall have the powers and authority expressly conferred upon him by or reasonably implied from the provisions of this code.

(4) The commissioner may conduct such examinations and investigations of insurance matters, in addition to examinations and investigations expressly authorized, as he may deem proper upon reasonable and probable cause to determine whether any person has violated any provisions of this code or to secure information useful in the lawful administration of any such pro-

vision. The cost of such additional examinations and investigations shall be borne by the state.

(5) The commissioner may establish and maintain such branch offices in this state as may be reasonably required for the efficient administration of this code.

(6) The commissioner shall have such additional powers and duties as may be provided by other laws of this state.

Section 11. A new section of Subtitle 2 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) The commissioner may make reasonable rules and regulations necessary for or as an aid to the effectuation of any provision of this code. No such rule or regulation shall extend, modify, or conflict with any law of this state or the reasonable implications thereof.

(2) Any such rule or regulation affecting persons or matters other than the personnel or the internal affairs of the department shall be made or amended only after a hearing thereon of which notice was given as required by Section 32 of Subtitle 2 of this Act. The commissioner shall set forth the proposed rule or regulation or amendment in or with the notice of hearing.

(3) No such rule or regulation as to which a hearing is required under subsection (2) above shall be effective until after it has been on file as a public record in the commissioner's office for at least ten days.

(4) Upon request and payment of the reasonable cost thereof if required and fixed by the commissioner, the commissioner shall furnish a copy of any such rule or regulation to any person so requesting.

(5) No penalty shall apply to any act done or omitted in good faith in conformity with any such rule or regulation, notwithstanding that such rule or regulation may, after such act or omission, be amended or rescinded or determined by judicial or other authority to be invalid for any reason.

Section 12. A new section of Subtitle 2 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) Orders and notices of the commissioner shall be effective only when in writing signed by him or by his authority.

(2) Every order of the commissioner shall state its effective date, and shall concisely state:

(a) Its intent or purpose.

(b) The grounds on which based.

(c) The provisions of this code pursuant to which action is so taken or proposed to be taken, and

(d) All other matters required by law.

(3) Except as may be provided as to particular procedures, an order or notice may be given by delivery to the person to be ordered or notified or by mailing it, postage prepaid, addressed to him at his principal place of business or residence as last of record in the department.

Section 13. A new section of Subtitle 2 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) The commissioner may invoke the aid of the courts through injunction or other proper process, mandatory or otherwise, to enjoin any existing or threatened violation of any provision of this code, or to enforce any proper order made by him or action taken by him.

(2) If the commissioner has reason to believe that any person has violated any provision of this code, or other law applicable to insurance operations, for which criminal prosecution is provided and in his opinion would be in order, he shall give the information relative thereto to the appropriate commonwealth attorney or to the attorney general. The commonwealth attorney or attorney general shall promptly institute such action or proceedings against such person as in his opinion the information may require or justify.

(3) Whenever the commissioner may deem it necessary, he may employ counsel, or call upon the attorney general of this state for legal counsel and such assistance as may be necessary.

(4) The attorney general upon request of the commissioner is authorized to proceed in the courts of any other state

or in any federal court or agency to enforce an order or decision in any court proceeding or in any administrative proceeding before the commissioner.

Section 14. A new section of Subtitle 2 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

Any person who wilfully violates any rule, regulation, or order of the commissioner shall, except where other penalty is expressly provided, be subject to such suspension or revocation of certificate of authority or license, or administrative fine in lieu of such suspension or revocation, as may be applicable under this code for violation of the provision to which such rule, regulation or order relates.

Section 15. A new section of Subtitle 2 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) The commissioner shall carefully preserve in the department and in permanent form, a correct account of all his transactions and of all fees and moneys received by him by virtue of his office, together with all financial statements, examination reports, correspondence, filings, and documents duly received by the department. The commissioner shall hand the same over to his successor in office.

(2) The commissioner shall keep a suitable record of all insurer certificates of authority and of all licenses issued under this code, together with all applicable suspensions and revocations and of the causes thereof.

(3) All records of the department shall be open to public inspection except as otherwise expressly provided by law as to particular matters; and except that records, correspondence, and reports of investigation in connection with actual or claimed violations of this code or prosecution or disciplinary action therefor shall be confidential. The confidential nature of any such record, correspondence or report shall not, however, limit or affect use of the same by the commissioner in any such prosecution or action.

(4) All records and documents of the department are subject to subpoena by a court of competent jurisdiction.

(5) After five years, the commissioner may destroy unneeded or obsolete records and filings in the department.

Section 16. A new section of Subtitle 2 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

Each written and signed complaint received by the Department of Insurance shall be recorded by the department, including the subsequent disposition thereof, and maintained for a period of not less than five years. The records of such complaints shall be indexed whenever applicable both by the name of the insurer and by the name of the agent, solicitor, surplus lines broker, adjuster or consultant involved. The commissioner shall consider such complaints before issuing or renewing any certificate of authority or license.

Section 17. A new section of Subtitle 2 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) Upon the request of any person and payment of the applicable fee, the commissioner shall furnish a certified copy of any record or document in the department which is then subject to public inspection, as provided in Section 15 (3) of Subtitle 2 of this Act.

(2) Reproductions of records or documents on file in the department, when duly certified by the commissioner, shall be received in evidence in all proceedings and courts equally and in like manner as if they were the originals, and shall have the same effect and force as such originals, as in other cases provided by law or rule of court.

Section 18. A new section of Subtitle 2 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

As early after July 1 as is consistent with full and accurate preparation the commissioner annually shall transmit to the Governor a report of his official transactions which may contain with respect to the calendar year next preceding:

(1) A list of all authorized insurers transacting insurance in this state, showing as to each insurer the name, location, date of incorporation or formation, date of commencement of business, and kinds of insurance transacted.

(2) A condensed form of financial statements and reports of every authorized insurer for the calendar year, as audited and corrected by the commissioner, arranged in tabular form or in abstracts.

(3) A list of insurers whose business in this state was terminated and the reason for such termination; and if such termination was a result of liquidation, or of delinquency proceedings brought against the insurer in this or any other state, the amount of the insurer's assets and liabilities so far as the same are known to the commissioner.

(4) Names of insurers against which delinquency or similar proceedings were instituted, and a concise statement of the facts with respect to each such proceeding and the status thereof.

(5) A statement of the operating expenses of the department, including salaries, transportation, communications, printing, office supplies, fixed charges (insurance and bonds) and miscellaneous expense.

(6) A detailed statement of the moneys and fees received by the department and from what source.

(7) Any recommendations for amendments or supplementations to insurance laws, which, in the commissioner's opinion, may be desirable.

(8) Such other pertinent information and matters as the commissioner deems to be in the public interest.

Section 19. A new section of Subtitle 2 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) The commissioner may have the directory of authorized insurers, of licensed insurance representatives, license examination material, insurance laws and related laws and regulations under his administration published in pamphlet form from time to time, and may fix a price for each copy to cover cost of printing and mailing.

(2) The commissioner shall account for and deposit all moneys so received in the manner provided under Section 2 of Subtitle 4 of this Act.

Section 20. A new section of Subtitle 2 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) The commissioner may furnish on request of the insurance supervisory official of any state, province or country

any information which it is his duty by law to ascertain respecting authorized insurers.

(2) The commissioner may be a member of the National Association of Insurance Commissioners or any successor organization, and may participate in and support other cooperative activities of public officers having supervision of the business of insurance.

Section 21. A new section of Subtitle 2 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) For the purpose of determining financial condition, ability to fulfill and manner of fulfillment of its obligations, the nature of its operations and compliance with law, the commissioner shall examine the affairs, transactions, accounts, records and assets of each authorized insurer as often as reasonably necessary. He shall so examine each domestic insurer not less frequently than every four years. Examination of a reciprocal insurer may include examination of its attorney-in-fact as to its transactions relating to the insurer. Examination of an alien insurer may be limited to its insurance transactions and affairs in the United States, except as the commissioner otherwise requires.

(2) The commissioner shall in like manner examine each insurer applying for an initial certificate of authority to transact insurance in this state.

(3) In lieu of making his own examination, the commissioner may, in his discretion, accept a full report of the last recent examination of a foreign, or alien, insurer, certified to by the insurance supervisory official of another state.

(4) As far as practical the examination of a foreign or alien insurer shall be made in cooperation with the insurance supervisory officers of other states in which the insurer transacts business, and for the purpose thereof may participate in joint examinations of insurers or be represented in an examination by an examiner of another state.

Section 22. A new section of Subtitle 2 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

For the purpose of ascertaining compliance with law, or

relationships and transactions between any such person and any insurer or proposed insurer, the commissioner may as often as reasonably necessary examine the accounts, records, documents, and transactions pertaining to or affecting the insurance affairs or proposed insurance affairs and transactions of:

(1) Any insurance holding company; or person holding the shares of voting stock or policyholder proxies of an insurer as voting trustee or otherwise, for the purpose of controlling the management thereof.

(2) Any insurance agent, solicitor, general agent, surplus lines broker, adjuster, consultant, or any person holding himself out as any of the foregoing.

(3) Any person having a contract under which he enjoys by terms or in fact the exclusive or dominant right to manage or control the insurer, as voting trustee or otherwise.

(4) Any person in this state engaged in, or proposing to be engaged in this state in, or holding himself out in this state as so engaging or proposing, or in this state assisting in the promotion, formation or financing of an insurer or insurance holding corporation, or corporation or other group to finance an insurer or the production of its business.

Section 23. A new section of Subtitle 2 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) Whenever the commissioner determines to examine the affairs of any person, he shall designate one or more examiners and instruct them as to the scope of the examination. The examiner shall, upon demand, exhibit his official credentials to the person under examination.

(2) The commissioner shall conduct such examination in an expeditious, fair and impartial manner.

(3) Upon any such examination the commissioner, or the examiner if specifically so authorized in writing by the commissioner, shall have power to administer oaths, and to examine under oath any individual as to any matter relevant to the affairs under examination or relevant to the examination.

(4) Every person being examined, its officers, attorneys, employes, agents and representatives shall make freely avail-

able to the commissioner or his examiners the accounts, records, documents, files, information, assets and matters of such person in his possession or control relating to the subject of the examination and shall facilitate the examination.

(5) If the commissioner or examiner finds any accounts or records to be inadequate, or inadequately kept or posted, he may employ experts to reconstruct, rewrite, post or balance them at the expense of the person being examined if such person has failed to maintain, complete or correct such records or accounting after the commissioner or examiner has given him written notice and a reasonable opportunity to do so.

(6) Neither the commissioner nor any examiner shall remove any record, account, document, file or other property of the person being examined from the offices or place of such person except with the written consent of such person in advance of such removal or pursuant to an order of court duly obtained. This provision shall not be deemed to affect the making and removal of copies or abstracts of any such record, account, document or file.

(7) Any individual who refuses without just cause to be examined under oath or who wilfully obstructs or interferes with the examiners in the exercise of their authority pursuant to this section is guilty of a violation of this code.

Section 24. A new section of Subtitle 2 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) If the commissioner deems it necessary to value any asset involved in such an examination, he may make written request of the person being examined to appoint one or more appraisers who by reason of education, experience or special training and disinterest, are competent to appraise the asset. Selection of any such appraiser shall be subject to the written approval of the commissioner. If no such appointment is made within twenty days after the request therefor was delivered to such person, the commissioner may appoint the appraiser or appraisers.

(2) Any such appraisal shall be expeditiously made, and a copy thereof furnished to the commissioner and to the person being examined.

(3) The reasonable expense of the appraisal shall be borne by the person being examined.

Section 25. A new section of Subtitle 2 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) Upon completion of an examination, the examiner in charge shall make a true report thereof which shall comprise only facts appearing upon the books, records or other documents of the person examined, or as ascertained from the sworn testimony of its officers or agents or other individuals examined concerning its affairs, and such conclusions and recommendations as may reasonably be warranted from such facts.

(2) Such a report of examination of an insurer shall be prima facie evidence in any action or proceeding for the receivership, conservation or liquidation of the insurer brought in the name of the state against the insurer, its officers or agents upon the facts stated therein, and whether or not the report has then been filed in the department as provided in the following section of this subtitle.

Section 26. A new section of Subtitle 2 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) The commissioner shall deliver a copy of the examination report to the person examined, together with a notice affording such person twenty days or such additional reasonable period as the commissioner for good cause may allow within which to review the report and recommend changes therein.

(2) If so requested by the person examined, within the period allowed under subsection (1), or if deemed advisable by the commissioner without such request, the commissioner shall hold a hearing relative to the report and shall not file the report in the department for public inspection until after such hearing and his order thereon, except that the commissioner may furnish a copy of the report to the Governor or attorney general of the state pending final decision thereon.

(3) If no such hearing has been requested or held, the examination report, with such modifications, if any, thereof as the commissioner deems proper, shall be accepted by the commissioner and filed in the department for public inspection upon

expiration of the review period provided for in subsection (1). The report shall in any event be so accepted and filed within six months after final hearing thereon, except that the commissioner may withhold from public inspection any examination report for so long as he deems such withholding to be necessary for the protection of the person examined against unwarranted injury or to be in the public interest.

(4) The commissioner shall forward to the person examined a copy of the examination report as filed for public inspection, together with any recommendations or statements relating thereto which he deems proper.

(5) If the report concerns the examination of a domestic insurer, a copy of the report, or a summary thereof approved by the commissioner, when filed for public inspection, or if withheld from public inspection under subsection (3), together with the recommendations or statements of the commissioner or his examiner, shall be presented by the insurer's chief executive officer to the insurer's board of directors or similar governing body at a meeting thereof which shall be held within ninety days next following receipt of the report in final form by the insurer. A copy of the report shall also be furnished by the secretary of the insurer, if incorporated, or by the attorney-in-fact if a reciprocal insurer, or Lloyd's Plan insurer, to each member of the insurer's board of directors or board of governors, if a reciprocal insurer, or Lloyd's Plan insurer, and the certificate of the secretary or attorney-in-fact, which shall be filed promptly with the department, that a copy of the examination report has been so furnished shall be deemed to constitute knowledge of the contents of the report by each such member.

(6) The report when so filed in the department shall be admissible in evidence in any action or proceeding brought by the commissioner against the person examined, or against its officers, employes or agents. In any such action or proceeding, the commissioner or his examiners may, however, at any time testify and offer proper evidence as to information secured or matters discovered during the course of an examination, whether or not a written report of the examination has been either made, furnished, or filed in the department.

Section 27. A new section of Subtitle 2 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

The report of examination of a domestic insurer, although filed in the department as provided in Section 26, of Subtitle 2 of this Act shall nevertheless not be for public inspection except as to those portions of the report showing the insurer's current financial condition. The comments and recommendations of the examiner(s) shall be deemed confidential information and shall not be available for public inspection, except that the commis-

Section 28. A new section of Subtitle 2 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

For the conduct of or assistance in examinations under this chapter the commissioner shall appoint as examiners only individuals who by reason of education, experience, or special training are competent to perform the duties and fulfill the responsibilities of an insurance examiner. In the selection of examiners the commissioner shall give due consideration to standards and qualifications therefor recommended by the National Association of Insurance Commissioners or any successor organization thereto.

Section 29. A new section of Subtitle 2 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) The expense of examination shall be borne by the person examined. Such expense shall include only the reasonable and proper lodgings, meals and travel expenses of the commissioner and his examiners and assistants, including expert assistance, reasonable compensation as to such examiners and assistants and incidental expense as necessarily incurred in the examination. As to expense and compensation involved in any such examination the commissioner may give due consideration to scales and limitations recommended by the National Association of Insurance Commissioners and outlined in the examination manual sponsored by that association.

(2) Such person examined shall promptly pay to the commissioner the expenses of the examination upon presentation by him of a reasonably detailed written statement thereof.

Section 30. A new section of Subtitle 2 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) There is continued in the state treasury the "Examination Expense Revolving Fund" for the use of the department. The commissioner shall promptly deposit with the state treasurer for the credit to such fund all moneys received by him pursuant of Section 29 of Subtitle 2 of this Act.

(2) Moneys for travel, per diem, compensation and other necessary and authorized expenses incurred by an examiner or other department representative in the examination of any person required to pay, and making payment of, the expense of examination pursuant to Section 29 of Subtitle 2 of this Act shall be paid out of the Examination Expense Revolving Fund, upon approval of the commissioner.

(3) If any amount in such revolving fund remains unexpended at the end of any fiscal year, that amount shall not lapse, but shall remain credited to the account and may be used during the succeeding year or years.

Section 31. A new section of Subtitle 2 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) The commissioner may hold a hearing, without request by others, for any purpose within the scope of this code.

(2) The commissioner shall hold a hearing:

(a) If required by any other provision of this code; or

(b) Upon written application for a hearing by a person aggrieved by any act, threatened act, or failure of the commissioner to act, or by any report, rule, regulation or order of the commissioner (other than an order for the holding of a hearing, or an order entered after a hearing, of which hearing such person had notice). Any such application must be filed in the department within sixty days after such person knew or reasonably should have known, of such act, threatened act, failure, report, rule, regulation or order, unless a different period is provided for by other laws applicable to the particular matter, in which case such other law shall govern.

(3) Any such application for a hearing shall briefly state the respects in which the applicant is so aggrieved, together

with the grounds to be relied upon as a basis for the relief to be sought at the hearing.

(4) If the commissioner finds that the application is made in good faith, that the applicant would be so aggrieved if his grounds are established, he shall hold the hearing within thirty days after filing of the application, unless postponed by mutual consent.

(5) Pending the hearing and decision thereon, the commissioner shall suspend or postpone the effective date of his previous action.

Section 32. A new section of Subtitle 2 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) Except where a longer period is expressly provided in this code, the commissioner shall give written notice of the hearing not less than ten days in advance. The notice shall state the date, time and place of the hearing and specify the matters to be considered thereat. If the persons to be given notice are not specified in the provision pursuant to which the hearing is held, the commissioner shall give such notice to all persons whose pecuniary interest, to the commissioner's knowledge or belief, are to be directly and immediately affected by the hearing.

(2) If any such hearing is to be held for consideration of rules and regulations of the commissioner, or of other matters which, under subsection (1), would otherwise require separate notice to more than thirty persons, in lieu of other notice the commissioner may give notice of the hearing by publication pursuant to KRS Chapter 424; but the commissioner shall mail such notice to all persons who had requested the same in writing in advance and have paid to the commissioner the reasonable amount fixed by him to cover the cost thereof.

(3) All such notices, other than published notices, shall be given as provided in Section 12 of Subtitle 2 of this Act.

Section 33. A new section of Subtitle 2 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) The commissioner, or any person duly authorized in writing by the commissioner, shall preside at the hearing, and

shall expedite the hearing and all procedures involved therein, and shall have the same powers as the commissioner in relation to the entire matter except the order on the hearing, if not prepared by the commissioner, shall be approved in writing by the commissioner.

(2) Any party to the hearing shall have the right to appear in person and by counsel, to be present during the giving of all evidence, to have a reasonable opportunity to inspect all documentary and other evidence and to examine and cross-examine witnesses, to present evidence in support of his interest and to have subpoenas issued by the commissioner to compel attendance of witnesses and production of evidence in his behalf. Testimony may be taken orally or by deposition, and any party shall have such right of introducing evidence by interrogatories or deposition as may obtain in a circuit court.

(3) Upon good cause shown the commissioner shall permit to become a party to the hearing by intervention, if timely, only such persons, not original parties thereto, whose pecuniary interests are to be directly and immediately affected by the commissioner's order made upon the hearing.

(4) Formal rules of pleading or evidence need not be observed at any hearing so long as procedural due process is afforded all parties, and so long as said hearing is conducted in accordance with the rules and regulations of the department.

(5) The hearing shall be public, unless the commissioner, or his authorized designee, determines that a private hearing would be in the public interest, in which case and only with the consent of all parties to the hearing, the hearing shall be private.

(6) The commissioner shall cause a full stenographic record of the proceedings to be made. If transcribed, a copy of such record shall be part of the commissioner's record of the hearing; and a copy shall be furnished to any other party to the hearing, at the request and expense of such other party. If no such record is transcribed, the commissioner shall prepare a summary record of the proceedings and evidence.

(7) The validity of any hearing held in accordance with the notice thereof, or waiver of notice, shall not be affected by the failure of any person to attend or remain in attendance.

(8) The commissioner or his authorized designee may adjourn any hearing from time to time and from place to place without other notice of the adjourned hearing than announcement thereof at the hearing.

Section 34. A new section of Subtitle 2 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) The commissioner or his authorized designee conducting a hearing, examination or investigation by his authority shall have power to subpoena witnesses, compel their attendance, administer oaths, examine any person under oath relative to the subject of the hearing, examination or investigation, and to compel any person to subscribe to his testimony after it has been correctly reduced to writing, and, in connection therewith, to require the production of any books, papers, records, correspondence or other documents which he deems relevant to the inquiry.

(2) A subpoena issued pursuant to this section shall have the same force and effect and shall be served in the same manner as if issued from a court of record.

(3) If any individual refuses to comply with any such subpoena or to testify as to any matter concerning which he may be lawfully interrogated, the circuit court of the county wherein such examination, investigation, or hearing is being conducted or of the county wherein such individual resides, on the commissioner's application may, after summary hearing, issue an order requiring such individual to comply with the subpoena and to testify; and failure to obey such an order may be punished by the court as a contempt thereof.

(4) Witness fees and mileage, if claimed, shall be allowed the same as for testimony in a circuit court, but no officer, director, agent or employe of an insurer or person being examined or investigated shall be entitled to witness or mileage fees.

(5) Any individual wilfully testifying falsely under oath as to any matter material to any such examination, investigation, or hearing shall upon conviction thereof be guilty of perjury.

Section 35. A new section of Subtitle 2 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) If any person asks to be excused from attending or testifying or from producing any books, papers, records, contracts, documents, or other evidence in connection with any examination, hearing, or investigation being conducted by the commissioner, his deputy or examiner, or in any proceeding or action before any court or magistrate upon a charge of violation of this code, on the ground that the testimony or evidence required of him may tend to incriminate him or subject him to a penalty or forfeiture, and shall notwithstanding be directed to give such testimony or produce such evidence, he must, if so directed by the commissioner and the attorney general, nonetheless comply with such direction; but he shall not thereafter be prosecuted or subjected to any penalty or forfeiture for or on account of any transaction, matter or thing concerning which he may have so testified or produced evidence, and no testimony so given or evidence produced shall be received against him upon any criminal action, investigation, or proceeding; except, however, that no such person so testifying shall be exempt from prosecution or punishment for any perjury committed by him in such testimony, and the testimony or evidence so given or produced shall be admissible against him upon any criminal action, investigation, or proceeding concerning such perjury.

(2) Any such individual may execute, acknowledge and file in the department a statement expressly waiving such immunity or privilege in respect to any transaction, matter or thing specified in such statement, and thereupon the testimony of such individual or such evidence in relation to such transaction, matter or thing may be received or produced before any judge, or justice, court, tribunal, magistrate, grand jury or otherwise, and if so received or produced such individual shall not be entitled to any immunity or privileges on account of any testimony he may so give or evidence so produced.

Section 36. A new section of Subtitle 2 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) In the conduct of hearings under this code and making his order thereon, the commissioner shall act in a quasi-judicial capacity.

(2) Except as otherwise provided in this subsection, within thirty days after termination of a hearing, or of any rehearing

thereof or reargument thereon, or within such other period as may be specified in this code as to particular proceedings, the commissioner shall make his order covering matters involved in such hearing, and give a copy of the order to each party to the hearing in the same manner as notice of the hearing was given to such party. With respect to hearings held concerning merger, consolidation, bulk reinsurance, conversion, affiliation or change of control of a domestic insurer as provided in Subtitle 24, or in Subtitle 27, where notice of the hearing was given to all stockholders and policyholders or to all stockholders of an insurer involved, the commissioner is required to give a copy of the order on hearing to the corporation and insurer parties, to intervening parties, to a reasonable number of such stockholders or policyholders as representative of the class, and to other parties only upon written request of such parties.

(3) The order shall contain:

(a) A concise statement of facts found by the commissioner upon evidence adduced at the hearing;

(b) A concise statement of the commissioner's conclusions of law from the facts so found;

(c) His order, and the effective date thereof; and

(d) Citation of the provisions of this code upon which the order is based.

(4) The order may affirm, modify or rescind action theretofore taken or may constitute taking of new action within the scope of the notice of the hearing.

(5) An order prepared by the commissioner's designee and approved in writing by the commissioner shall be considered the commissioner's order.

Section 37. A new section of Subtitle 2 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) An appeal from the commissioner shall be taken only from an order on hearing.

(2) Any person who was a party to such a hearing and who is aggrieved by such order may appeal from such order within thirty days after the order on hearing has been mailed

or delivered to the persons entitled to receive the same, or given by last publication thereof where delivery by publication is permitted.

(3) The appeal shall be granted as a matter of right, and shall be taken to the Franklin Circuit Court.

(4) The appeal shall be taken by filing in the court a verified petition setting forth the grounds for appeal, together with a bond with good and sufficient sureties to be approved by the court, conditioned to pay all costs which may be assessed against the appellant or petitioner in such proceedings, and by serving a copy of the petition on the commissioner. If the appeal is from the commissioner's order on hearing, the petitioner shall also deliver to the commissioner a sufficient number of copies of the petition and the commissioner shall mail or otherwise furnish a copy thereof to the other parties to the hearing to the same extent as a copy of the commissioner's orders is required to be furnished to the hearing parties under Section 36 of Subtitle 2 of this Act.

(5) Upon receiving the petition on appeal, the commissioner shall forthwith prepare an official record certified by him which shall contain a copy of all proceedings and orders of the commissioner appealed from and the transcript of testimony and evidence or summary record thereof made as provided in Section 33 of Subtitle 2 of this Act. Within thirty days after the petition was served upon him the commissioner shall file such official record with the court.

(6) Upon filing of the petition on appeal the court shall have full jurisdiction of the proceeding. Such filing shall not stay the enforcement of the commissioner's order or action appealed from unless so stayed by order of the court in which the appeal is pending.

(7) A case shall be set down by the court for as early a day as possible for a hearing and shall in all respects be expedited as a declaratory judgment suit. No new or additional evidence shall be introduced in the circuit court except as to fraud or misconduct of some party engaged in the administration of this chapter and affecting the order appealed from, but the court shall otherwise hear the case upon the record as attested

by the department and shall in all respects dispose of the appeal in a summary manner. Its review shall be limited to determining whether or not (a) the commissioner acted without or in excess of his powers; (b) legal or procedural due process was afforded the appellant; and (c) if questions of fact are in issue, whether or not any substantial evidence supports the order appealed from.

(8) After such a hearing, the court shall enter a judgment sustaining or setting aside the order of the commissioner appealed from or, in its discretion, the court may remand the case to the commissioner for the purpose of taking additional testimony or other proceedings.

(9) From the judgment of the Franklin Circuit Court the commissioner or other party to the appeal may appeal to the Kentucky Court of Appeals in the same manner as provided in civil cases.

SUBTITLE 3

Section 1. A new section of Subtitle 3 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

A "stock" insurer is an incorporated insurer with its capital divided into shares and owned by its shareholders. Any company chartered by special act of the legislature of its state of domicile prior to the effective date of this Act, as a company without capital stock but doing business exclusively on the stock plan, and so stated on its policies, and maintaining at all times surpluses as required by this code, shall in the administration of this code be considered as a "stock" insurer.

Section 2. A new section of Subtitle 3 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

A "mutual" insurer is an incorporated insurer without permanent capital stock, and the governing body of which is elected by its policyholders or those policyholders specified in its charter, or by any other reasonable method.

Section 3. A new section of Subtitle 3 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

A "reciprocal" insurer is an unincorporated aggregation of

subscribers operating individually and collectively through an attorney-in-fact common to all such persons to provide reciprocal insurance among themselves.

Section 4. A new section of Subtitle 3 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

A "Lloyd's Plan" insurer is an unincorporated association of individuals or associations of individuals, designated as "underwriters" who transact an insurance business as insurers in this state through an attorney-in-fact under the name "Lloyd's" or under a "Lloyd's Plan" of operation.

Section 5. A new section of Subtitle 3 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

"Charter" means articles of incorporation, articles of agreement, articles of association, charter granted by legislative act, or other basic constituent document of a corporation, or the power of attorney of the attorney-in-fact of a reciprocal insurer, or underwriter's agreement and power of attorney of a Lloyd's Plan insurer.

Section 6. A new section of Subtitle 3 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

A certificate of authority shall not be required of an insurer with respect to any of the following:

(1) Transactions except under Subtitle 11.

(2) Investigation, settlement, or litigation of claims under its policies lawfully written, or liquidation of assets and liabilities of the insurer.

(3) Transactions relative to its investments in this state.

(4) Prosecution or defense of legal actions; but no insurer unlawfully transacting insurance in this state without a certificate of authority shall be permitted to institute or maintain (other than defend) any action at law or in equity in any court of this state, either directly or through an assignee or successor in interest, to enforce any right, claim or demand arising out of such an insurance transaction until such insurer or assignee or successor has obtained a certificate of authority. This provision does not apply to any suit or action by the duly constituted

receiver, rehabilitator or liquidator of such an insurer, assignee or successor under laws similar to those contained in Subtitle 33.

Section 7. A new section of Subtitle 3 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) To qualify for and hold authority to transact insurance in this state, an insurer must be otherwise in compliance with this code and with its charter powers, and must be an incorporated stock or mutual insurer, or a reciprocal insurer, or Lloyd's Plan insurer, of the same general type as may be formed as a domestic insurer under this code, except that:

(a) No foreign insurer shall be authorized to transact insurance in this state which does not maintain reserves as required by Subtitle 6 as applicable to the kind or kinds of insurance transacted by such insurer, wherever transacted in the United States; or which transacts business anywhere in the United States on the assessment plan, or stipulated premium plan, or any similar plan.

(b) No insurer shall be authorized to transact a kind of insurance in this state unless duly authorized or qualified to transact such insurance in the state or country of its domicile.

(c) No insurer shall be authorized to transact in this state any kind of insurance which is not within the definition as set forth in Subtitle 5.

(d) No such authority shall be granted or continued as to any insurer while in arrears to the state for fees, licenses, taxes, assessments, fines or penalties accrued on business previously transacted in this state.

(2) In determining the solvency of or impairment to any foreign or alien insurer which is requesting the issuance or continuance of any certificate of authority to do business in this state, the commissioner may admit as assets only those items which would qualify as admitted assets for a domestic insurer similarly situated.

Section 8. A new section of Subtitle 3 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) No certificate of authority or license to transact any kind of insurance business in this state shall be issued, renewed

or continued in effect to any domestic, foreign, or alien insurance company or other insurance entity which is owned, or financially controlled in whole or in part by any state of the United States, or by a foreign government or by any political subdivision of either, or which is an agency of such state, government or political subdivision, unless such company or entity was so owned, controlled or constituted prior to January 1, 1957, and was authorized to do business in this state on or prior to January 1, 1957.

(2) The commissioner shall not grant or continue authority to transact insurance in this state to any insurer or proposed insurer after a hearing held thereon, if it appears that:

(a) Any director, officer or other individual materially part of the management is found by him after investigation or upon reliable information to be incompetent, or dishonest, or untrustworthy, or of unfavorable business repute; or

(b) The managers are so lacking in insurance company managerial experience in operations of the kind proposed in this state as to make such operation, currently or prospectively, hazardous to or contrary to the best interests of the insurance-buying or investing public of this state; or

(c) He has good reason to believe is affiliated directly or indirectly through ownership, control, management, reinsurance transactions or other business relations with any person or persons of unfavorable business repute; or

(d) Its business operations are or have been marked, to the injury of insurers, stockholders, policyholders, creditors or the public, by illegality, or by manipulation of assets, or of accounts, or of reinsurance, or by bad faith.

Section 9. A new section of Subtitle 3 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

No foreign insurer shall be authorized to transact insurance in Kentucky, which has not been issuing its own policies as an authorized insurer for at least three years in its state or country of domicile, unless the insurer is otherwise qualified for a certificate of authority under this code and is:

(1) The wholly owned subsidiary of an insurer which is already an authorized insurer in Kentucky; or

(2) The successor in interest through statutory merger or statutory consolidation, or through bulk reinsurance of substantially all of the insurance risks in this state, of an authorized insurer; or

(3) An insurer organized solely for the purpose of insuring against earthquake, flood, nuclear radiation, war or other special hazards to property or liability for which, in the opinion of the commissioner, adequate provision is not made by insurers already authorized in this state.

Section 10. A new section of Subtitle 3 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) No insurer shall be formed or authorized to transact insurance in this state which has or uses a name which is the same as or deceptively similar to that of another insurer already so authorized, without the written consent of such other insurer.

(2) No life insurer shall be so authorized which has or uses a name deceptively similar to that of another insurer authorized to transact insurance in this state within the preceding ten years if life insurance policies originally issued by such other insurer are still outstanding in this state, without the written consent of such insurer.

(3) No insurer shall be formed or authorized to transact insurance in this state which has or uses a name the same as or deceptively similar to the name of any foreign insurer not so authorized if such foreign insurer has within the next preceding twelve months signified its intention to secure an incorporation in this state under such name, or to do business as a foreign insurer in this state under such name, by filing notice of such intention with the commissioner, unless the written consent to the use of such name or deceptively similar name has been given by such foreign insurer.

(4) No foreign insurer seeking admission to this state shall be authorized to transact insurance in this state which has or uses a name the same as or deceptively similar to that of a domestic corporation which has been incorporated as an insurer but has not yet secured a Certificate of Authority, until the

expiration of three years from the date of incorporation of such domestic corporation.

(5) No insurer shall be so authorized which has or uses a name which tends to deceive or mislead as to the type of organization of the insurer.

(6) In case of conflict of names between two insurers, or a conflict otherwise prohibited under this section, the commissioner may, after notice to the other insurer, permit (or may require as a condition to the issuance of an original certificate of authority to an applicant insurer) the insurer to use in this state such supplementation or modification of its name or such business name as may reasonably be necessary to avoid the conflict.

(7) Except as provided in subsection (6) above, an insurer shall conduct its business in the name under which the certificate of authority was issued.

Section 11. A new section of Subtitle 3 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

An insurer which otherwise qualifies therefor may be authorized to transact any one kind or any combination of kinds of insurance as defined in Subtitle 5, except:

(1) A life insurer may grant annuities and may be authorized to transact in addition only health insurance; except, that the commissioner may, if the insurer otherwise qualifies therefor, continue so to authorize any life insurer which immediately prior to the effective date of this code was lawfully authorized to transact in this state a kind or kinds of insurance in addition to life and health and annuities.

(2) A reciprocal or Lloyd's insurer shall not transact life insurance.

(3) A title insurer shall be a stock insurer, and shall not transact any other kind of insurance.

(4) A mortgage guaranty insurer shall be a stock insurer, and shall not transact any other kind of insurance.

Section 12. A new section of Subtitle 3 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) Except as provided in subsection (2) hereof, to qualify for authority to transact any one kind of insurance (as defined in Subtitle 5), or combination of kinds of insurance as shown on the following table, an insurer shall possess and thereafter maintain unimpaired paid-in capital stock (if a stock insurer) or unimpaired basic surplus (if a foreign mutual, reciprocal or Lloyd's insurer), and when first so authorized shall possess initial free surplus, all in amounts not less than as determined from the following table:

Kind or Kinds of Insurance	Stock Insurers		Foreign Mutual, Reciprocal, and Lloyd's Insurers	
	Minimum Required Capital Stock	Initial Free Surplus	Minimum Required Basic Surplus	Initial Free Surplus
Life	$500,000	$750,000	$500,000*	$750,000*
Health	250,000	375,000	250,000	375,000
Life & Health	500,000	750,000	500,000*	750,000*
Casualty	450,000	675,000	450,000	675,000
Marine & Transportation	500,000	750,000	500,000	750,000
Property	300,000	450,000	300,000	450,000
Surety	300,000	450,000	300,000	450,000
Mortgage Guaranty	600,000	900,000	Not applicable	Not applicable
Title	150,000	225,000	Not applicable	Not applicable
Multiple line (all lines other than life & title)	600,000	900,000	600,000	900,000

*Does not apply as to a reciprocal insurer or Lloyd's insurer.

(2) An insurer holding a valid certificate of authority to transact insurance in this state immediately prior to the effective date of this code may, if otherwise qualified therefor, continue to be so authorized while possessing paid-in capital stock (if a stock insurer) or surplus (if a mutual, reciprocal or Lloyd's insurer) as required for such authority immediately prior to such effective date. The commissioner shall not authorize such an

insurer to transact any other kinds of insurance unless it then complies with the requirements as to capital and surplus, as applied to all kinds of insurance it then proposes to transact, as provided by this code as to foreign insurers applying for original certificates of authority under this code. Notwithstanding the other provisions hereof, the exception provided in this subsection (2) shall cease to apply to any such insurer from and after the date upon which it has accumulated surplus in an amount equal to two hundred percent of the initial free surplus (if a stock or foreign mutual, reciprocal or Lloyd's insurer) or the surplus (if a domestic mutual insurer) required under other provisions of this code to qualify for authority to transact the kind or kinds of insurance being transacted by it.

(3) Each insurer shall at all times maintain bona fide additional surplus in the amount of at least thirty percent of the minimum capital or surplus requirement applicable to it or one hundred thousand dollars whichever is the lesser.

(4) Capital and surplus requirements are based upon all the kinds of insurance transacted by the insurer in any and all areas in which it operates or proposes to operate, whether or not only a portion of such kinds are to be transacted in this state.

(5) As to surplus required for authority to transact one or more kinds of insurance and thereafter to be maintained, domestic mutual legal reserve insurers hereafter formed shall be governed by Subtitle 24.

Section 13. A new section of Subtitle 3 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

Without additional paid-in capital stock or additional surplus, an authorized insurer may also be authorized:

(1) If a life insurer, to grant annuities.

(2) If a health insurer, to insure against congenital defects, as defined in Subtitle 5.

(3) If a casualty insurer or multiple line insurer, to transact health insurance. Except, that this provision shall not apply to a domestic insurer authorized to transact casualty insurance only, pursuant to subsection (2) of Section 12 of Subtitle 3 of this Act.

(4) A property insurer may without additional capital or surplus include such amount and kind of insurance against legal liability for injury, damage, or loss to the person or property of others, and for medical, hospital, and surgical expense related to such injury, as the commissioner deems to be reasonably incidental to insurance of real property against fire and other perils under policies covering farm properties, or residential properties designed for occupancy by not more than four families, with or without incidental office, professional, private school or studio occupancy by an insured whether or not the premium or rate charged for certain perils so covered is specified in the policy. No insurer authorized as to property insurance only shall pursuant to this subsection retain risk as to any one subject of insurance for hazards other than property insurance hazards, in an amount exceeding five per cent of its surplus to policyholders.

Section 14. A new section of Subtitle 3 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) The commissioner shall not authorize an insurer to transact insurance in this state, other than an alien insurer or a title insurer, unless it makes and thereafter continuously maintains on deposit in this state, through the commissioner, cash or securities eligible for such deposit under the laws of this state, of a fair market value not less than its minimum required capital stock (if a stock insurer) or minimum required basic surplus (if a mutual, reciprocal or Lloyd's Plan insurer), for the protection of the insurer's policyholders or its policyholders and creditors.

(2) The commissioner shall not so authorize a title insurer unless it so deposits and maintains such cash or securities of a fair market value not less than its minimum required capital stock as a guaranty fund which shall be held as security for the faithful performance by the insurer of all its undertakings and liabilities under its title policies or other guarantees of title to property.

(3) The commissioner shall not authorize an alien insurer unless it so makes and thereafter continuously maintains such a deposit, representing funds in excess of all the insurer's liabilities under insurance contracts in force in the United States of a fair market value of not less than that required under sub-

section (1), as to a like foreign insurer. The deposit shall be held in trust for the protection of the insurer's policyholders, or its policyholders and creditors, in the United States.

(4) In lieu of such a deposit made or maintained in this state, the commissioner may, in his discretion, accept the certificate in proper form of the public officer having general supervision of insurers in any other state to the effect that a deposit of like quality and amount, or part thereof, by such insurer is being maintained for like purposes in public custody or control pursuant to the laws of such state.

(5) All such deposits in this state are subject to the applicable provisions of Subtitle 8.

Section 15. A new section of Subtitle 3 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

To apply for an original certificate of authority an insurer shall file with the commissioner its written application therefor on forms as prescribed and furnished by the commissioner, accompanied by the applicable fees specified in Subtitle 4, stating under the oath of the president or vice-president or other chief officer and the secretary of the insurer, or of the attorney-in-fact (if a reciprocal insurer or Lloyd's Plan insurer), the insurer's name, location of its principal office, the kinds of insurance to be transacted, date of organization or incorporation, form of organization, its domicile, and such additional information as the commissioner may reasonably require, together with the following documents, as applicable:

(1) If a corporation, a copy of its charter, together with all amendments thereto, or as restated and amended under the laws of its state or country of incorporation, currently certified by the public official with whom the originals are on file in such state or country.

(2) A copy of its bylaws, certified by the insurer's secretary.

(3) If a reciprocal insurer, a copy of the power of attorney of its attorney-in-fact, and copy of its subscribers agreement, if any, both certified by the attorney-in-fact; and if a domestic reciprocal insurer, the declaration provided for in section 6 of Subtitle 2 of this Act.

(4) If a Lloyd's plan insurer, the names and addresses of all of the underwriters proposing to engage in the business, along with the number of underwriters which shall not be less than twenty-five, and that each underwriter is worth in his own right not less than twenty thousand dollars over and above all his liabilities, along with a statement showing a list of all cash and invested assets owned by the associated underwriters and their value, certified and sworn to by their duly authorized attorney-in-fact.

(5) A complete copy of its financial statement as of not earlier than the December 31 next preceding in form as customarily used in the United States by like insurers, sworn to by at least two executive officers of the insurer or certified by the public insurance supervisory official of the insurer's state or country of domicile.

(6) A copy of the report of last examination of the insurer prior to the filing of the application, certified by the public insurance supervisory official of the insurer's state or country of domicile.

(7) If a foreign or alien insurer, the name and address of the person to whom the commissioner shall forward lawful process served upon him. If a domestic reciprocal insurer, the name and address of the attorney designated pursuant to subsection (2) (e) of Section 6 of Subtitle 27 of this Act shall be deemed to be the person to whom the commissioner shall forward lawful process served upon him. Any judgment against such domestic reciprocal so served shall be binding upon each of the insurer's subscribers as their respective contingent liabilities.

(8) If a foreign or alien insurer, a certificate of the public insurance supervisory official of its state or country of domicile showing that it is authorized or qualified for authority to transact in such state or country the kinds of insurance proposed to be transacted in this state.

(9) If an alien insurer, a certificate as to deposit, if to be tendered pursuant to subsection (4) of Section 6 of Subtitle 3 of this Act, and a copy of the trust deed, if any, pertaining to such deposit, certified by the trustee.

(10) If a foreign insurer, a certificate as to deposit, if to be tendered pursuant to subsection (4) of Section 14 of Subtitle 3 of this Act.

(11) If a life or health insurer, a copy of the insurer's rate book and of each form of policy currently proposed to be issued in this state, and of the form of application therefor.

(12) If an alien insurer, a copy of the appointment and authority of its United States manager, certified by its officer having custody of its records.

(13) Designation by the insurer of its officers or representatives authorized to appoint and remove its agents in this state.

(14) If to transact surety insurance, the names and addresses of all its attorneys-in-fact within this state together with the scope of authority of each such attorney-in-fact.

Section 16. A new section of Subtitle 3 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) If upon completion of its application the commissioner finds that the insurer has met the requirements therefor under this code, including Section 8 of Subtitle 3 of this Act, the commissioner may, if he deems it advisable, issue to the insurer a certificate of authority; otherwise, the commissioner shall issue his order refusing such certificate.

(2) The certificate of authority, if issued, shall state the insurer's name, the address of its principal office, the state or country of its organization, and the kinds of insurance the insurer is authorized to transact in this state. At the insurer's request, the commissioner may issue a certificate of authority limited to particular types of insurance or coverages within a kind of insurance as defined in Subtitle 5.

(3) Although issued and delivered to the insurer, the certificate of authority at all times shall be the property of the State of Kentucky. Upon any expiration, suspension, or termination thereof the insurer shall promptly deliver the certificate to the commissioner.

Section 17. A new section of Subtitle 3 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

Upon written application therefor by the insurer and due cause shown, the commissioner may amend the certificate of authority of an insurer as required by change of name or to show any change in the kinds of insurance the insurer may thereafter transact and is qualified to transact in this state. The insurer shall accompany such request with the fee for amendment as specified in Subtitle 4.

Section 18. A new section of Subtitle 3 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) A Certificate of Authority shall continue in force as long as the insurer is entitled thereto under this code, and until suspended or revoked by the commissioner or terminated at the insurer's request; subject, however, to continuance of the certificate by the insurer each year by:

(a) Payment on or before March 1 of the continuation fee provided in Subtitle 4;

(b) Due filing by the insurer of its annual statement for the next preceding calendar year as required by Section 24 of Subtitle 3 of this Act; and

(c) Payment by the insurer of premium taxes with respect to the preceding calendar year.

(2) If not so continued by the insurer, its certificate of authority shall expire as at midnight on the June 30 next following such failure of the insurer to continue it in force, unless earlier revoked for failure to pay taxes as provided in Section 4 of Subtitle 4 of this Act. The commissioner shall promptly notify the insurer of the occurrence of any failure resulting in impending expiration of its certificate of authority.

(3) The commissioner may, in his discretion, upon the insurer's request made within three months after expiration, reinstate a certificate of authority which the insurer has inadvertently permitted to expire, after the insurer has fully cured all its failures which resulted in the expiration. Otherwise the insurer shall be granted another certificate of authority only after filing application therefor and meeting all other requirements as for an original certificate of authority in this state.

Section 19. A new section of Subtitle 3 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) The commissioner shall refuse to continue or shall suspend or revoke an insurer's certificate of authority:

(a) If such action is required by any provision of this code; or

(b) If a foreign or alien insurer and it no longer meets the requirements for a certificate of authority, as required for domestic insurers, on account of deficiency of capital or surplus or otherwise; or

(c) If a domestic insurer and it has failed to cure an impairment of capital, if a stock insurer, or minimum required surplus, if other than a stock insurer, within the time allowed therefor by the commissioner under this code or is otherwise no longer qualified for the certificate of authority; or

(d) If the insurer's certificate of authority to transact insurance therein is suspended or revoked by its state or country of domicile.

(2) Except in case of insolvency or impairment of required capital or surplus, or suspension or revocation by another state or country as referred to in subsection (d) above, the commissioner shall give the insurer at least twenty days notice in advance of any such refusal, suspension, or revocation under this section, and of the particulars of the reasons therefor. If the insurer requests a hearing thereon within such twenty days, such request shall automatically stay the commissioner's proposed action until his order is made on such hearing.

Section 20. A new section of Subtitle 3 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) The commissioner may, in his discretion, refuse to continue or may suspend or revoke an insurer's certificate of authority if he finds after a hearing thereon, or upon waiver of hearing by the insurer, that the insurer has:

(a) Wilfully violated or wilfully failed to comply with any lawful order of the commissioner; or

(b) Wilfully violated or wilfully failed to comply with any lawful regulation of the commissioner; or

(c) Wilfully violated any provision of this code other than those for violation of which suspension or revocation is mandatory; or

(d) Failed to pay taxes on its premiums as required by law.

In lieu of such suspension or revocation, the commissioner may, in his discretion, levy upon the insurer, and the insurer shall pay forthwith, an administrative fine of not more than two thousand dollars.

(2) The commissioner shall suspend or revoke an insurer's certificate of authority on any of the following grounds, if he finds after a hearing thereon that the insurer:

(a) Is in unsound condition, or is being fraudulently conducted, or is in such condition or using such methods and practices in the conduct of its business as to render its further transaction of insurance in this state currently or prospectively hazardous or injurious to policyholders or to the public.

(b) With such frequency as to indicate its general business practice in this state:

1. Has without just cause failed to pay, or delayed payment of, claims arising under its policies, whether the claim is in favor of an insured or is in favor of a third person with respect to the liability of an insured to such third person; or

2. Without just cause compels insureds or claimants to accept less than the amount due them or to employ attorneys or to bring suit against the insurer or such an insured to secure full payment or settlement of such claims.

(c) Refuses to be examined, or if its directors, officers, employes or representatives refuse to submit to examination relative to its affairs, or to produce its accounts, records and files for examination by the commissioner when required, or refuse to perform any legal obligation relative to the examination.

(d) Has failed to pay any final judgment rendered against it in this state upon any policy, bond, recognizance or undertaking as issued or guaranteed by it, within thirty days after the judgment became final or within thirty days after dismissal of an appeal before final determination, whichever date is the later.

(3) The commissioner may, in his discretion and without advance notice or a hearing thereon, immediately suspend the certificate of authority of any insurer as to which proceedings for receivership, conservatorship, rehabilitation or other delinquency proceedings have been commenced in any state by the public insurance supervisory officer of such state.

Section 21. A new section of Subtitle 3 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) All suspensions or revocations of, or refusal to continue, an insurer's certificate of authority shall be by the commissioner's order given to the insurer.

(2) Upon issuance of the order, the commissioner shall forthwith give notice thereof to the insurer's agents in this state of record in the department, and shall likewise suspend or revoke the authority of such agents to represent the insurer.

(3) In his discretion, the commissioner may likewise publish notice of such suspension, revocation or refusal in one or more newspapers of general circulation in the state.

Section 22. A new section of Subtitle 3 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) Suspension of an insurer's certificate of authority shall be for such period as the commissioner specifies in the order of suspension, but not to exceed one year. During the suspension the commissioner may rescind or shorten the suspension by his further order.

(2) During the suspension period the insurer shall not solicit or write any new business in this state, but shall file its annual statement, pay fees, licenses, and taxes as required, and may service its business already in force in this state, as if the certificate of authority had continued in full force.

(3) Upon expiration of the suspension period, if within such period the certificate of authority has not terminated, the insurer's certificate of authority shall be automatically reinstated unless the commissioner finds that the causes of the suspension have not terminated, or that the insurer is otherwise not in compliance with the requirements of this code, and of which the commissioner shall give the insurer notice not less than

thirty days in advance of the expiration of the suspension period. If not so automatically reinstated the certificate of authority shall be deemed to have terminated as of the end of the suspension period.

(4) Upon reinstatement of the insurer's certificate of authority, the authority of its agents in this state to represent the insurer shall likewise be reinstated. The commissioner shall promptly notify the insurer and its agents in this state of record in the department, of such reinstatement. If pursuant to subsection (3) of Section 21 of Subtitle 3 of this Act, the commissioner has published notice of such suspension he shall in like manner publish notice of the reinstatement.

Section 23. A new section of Subtitle 3 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) Upon issuance of a certificate of authority to do business in this state, the following shall be deemed to have appointed the commissioner as its attorney to receive service of lawful process issued against it in this state:

(a) Foreign or alien insurers;

(b) Domestic reciprocal insurers;

(c) Domestic Lloyd's insurers.

(2) Such appointment shall be irrevocable, shall bind any successor in interest or to the assets or liabilities of the insurer, and shall remain in effect as long as there is in force in this state or elsewhere a contract that would give rise to a cause of action in this state, made by the insurer, or liabilities or duties arising therefrom.

(3) Service of lawful process against unauthorized insurers, except in contracts issued by insurers or underwriters to industrial insureds as defined in Section 2 of Subtitle 11 of this Act, shall be made upon the commissioner, or upon the Secretary of State, as provided in Section 4 of Subtitle 11 of this Act.

(4) Service of lawful process against authorized domestic insurers shall be had pursuant to KRS 271.385.

(5) Wherever the commissioner is by law the attorney for service of lawful process, duplicate copies of such process against

an insurer shall be made by delivering to and leaving with the commissioner or some person in apparent charge of his office two copies thereof and the payment to him of such fees as provided for in Subtitle 4. The commissioner shall forthwith forward by certified mail one of the copies of such process to the defendant, if an authorized insurer, to the person designated pursuant to subsection (7) of Section 15 of Subtitle 3 of this Act, and if an unauthorized insurer, in the manner prescribed by Section 4 of Subsection 11 of this Act. The commissioner shall return the other copy to the plaintiff, or if represented by counsel, then to the counsel shown thereon, with his acknowledgement of service.

(6) The commissioner shall keep a record of the date and hour of receipt of such lawful process, as well as the date it is forwarded to the defendant.

(7) For the purpose of this section, "lawful process" shall include only the summons which initiates and commences a cause of action, and such other initial notices, rules, or orders which would be required by the Kentucky Rules of Civil Procedure to be by personal service.

Section 24. A new section of Subtitle 3 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) Each authorized insurer shall annually, before the first day of March, file with the commissioner a true statement of its financial condition, transactions, and affairs as of December 31 preceding. The statement shall be on forms and shall contain information as required by this code and by the commissioner, and shall be verified by the oaths of at least two of the insurer's principal officers. The annual statement of a reciprocal insurer shall be made and verified by its attorney-in-fact.

(2) The commissioner shall annually during November furnish each such insurer, duplicate copies of annual statement forms as next required to be filed. The statement forms shall be in general form and context as approved by the National Association of Insurance Commissioners for the kinds of insurance to be reported upon, and as supplemented for additional information required by the commissioner.

(3) The annual statement of an alien insurer shall relate only to its assets, transactions, and affairs in the United States unless the commissioner requires otherwise. The statement shall be verified by the insurer's United States manager or by its officers duly authorized.

(4) The commissioner may suspend or revoke the authority of any insurer failing to file its annual statement when due or failing so to file during any extension of time therefor which the commissioner, for good cause, may grant.

Section 25. A new section of Subtitle 3 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) Except as provided in Section 26 of Subtitle 3 of this Act, no authorized insurer shall make, write, place or cause to be made or placed, any policy, duplicate policy or contract of insurance of any kind upon persons, property or risks resident, located or to be performed in this state, except through its duly appointed and licensed agents resident of this state, any one of whom shall countersign the same.

(2) Where two or more insurers jointly issue a single policy, the policy may be countersigned, on behalf of all insurers appearing thereon, by a licensed agent resident in this state of any one such insurer.

(3) In any case where it is necessary to execute an emergency bond and a commissioned agent authorized to execute such bond is not present, a manager or other employe of the insurer having authority under a power of attorney may execute such bond in order to produce a valid contract between the insurer and the obligee; but the bond shall subsequently be countersigned by a resident commissioned agent, who shall make and retain an adequate office record of the transaction.

(4) Nothing contained in this section shall be construed as preventing the free and unlimited right to negotiate contracts by licensed nonresident agents or brokers outside this state, provided the policies, endorsements or evidence of such contracts covering properties or insurable interests in this state are countersigned by a resident agent of this state. Every such policy or contract shall be countersigned by a resident agent who is compensated on a commission basis, and shall not be counter-

signed by a salaried insurer employe, unless such employe is a regular salaried employe of a mutual insurer and is a licensed resident agent.

(5) On such business produced by a licensed nonresident agent, which is countersigned by a resident commissioned agent of this state, there shall be a division of the usual customary commission between the licensed nonresident producing agent and the resident countersigning commissioned agent which shall produce for the latter a commission of at least five percent of the premium; but for countersigning casualty insurance policies and fidelity or surety bonds the resident commissioned agent shall not be paid more than fifty dollars or less than five dollars for countersigning any such policy or bond. Where the licensed nonresident agent or the insurer assuming the risk desires the resident commissioned agent to render additional services, then the compensation to the countersigning commissioned resident agent shall be a matter of contract between the parties in interest.

Section 26. A new section of Subtitle 3 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

Section 25 of Subtitle 3 of this Act does not apply to any of the following:

(1) Life insurance and annuities.

(2) Health insurance.

(3) Policies covering property in transit while in the possession or custody of any common carrier, or the rolling stock or other property of any common carrier employed by it in the operation and maintenance of plant and business as a common carrier of freight or passengers, or both.

(4) Reinsurance or retrocessions made by or for authorized insurers.

(5) Bid bonds issued in connection with any public or private contract.

(6) Policies and contracts issued by insurers not operating through independent contractor agents compensated on a commission basis in the solicitation of business.

(7) Policies issued as a result of assignments made by any

approved assigned risk plan or pool, if such policies are countersigned by an executive officer or other employe of the insurer whose compensation is entirely by salary.

(8) Policies issued by domestic insurers which do not customarily permit their agents to countersign policies, if such policies are countersigned by an executive officer or other employe of the insurer whose compensation is entirely by salary.

Section 27. A new section of Subtitle 3 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) The purpose of this section is to aid in the protection of insurers formed under the laws of Kentucky and transacting insurance in other states or countries against discriminatory or onerous requirements under the laws of such states or countries or the administration thereof.

(2) When by or pursuant to the laws of any other state or foreign country or province any taxes, licenses and other fees, in the aggregate, and any fines, penalties, deposit requirements or other material obligations, prohibitions or restrictions are or would be imposed upon Kentucky insurers, or upon the agents or representatives of such insurers, which are in excess of such taxes, licenses and other fees, in the aggregate, or which are in excess of the fines, penalties, deposit requirements or other obligations, prohibitions, or restrictions directly imposed upon similar insurers, or upon the agents or representatives of such insurers, of such other state or country under the statutes of this state, so long as such laws of such other state or country continue in force or are so applied, the same taxes, licenses and other fees, in the aggregate, or fines, penalties or deposit requirements or other material obligations, prohibitions, or restrictions of whatever kind shall be imposed by the commissioner upon the insurers, or upon the agents or representatives of such insurers, of such other state or country doing business or seeking to do business in Kentucky. Any tax, license or other fee or other obligation imposed by any city, county, or other political subdivision or agency of such other state or country on Kentucky insurers or their agents or representatives shall be deemed to be imposed by such state or country within the meaning of this section.

(3) This section shall not apply as to personal income

taxes, nor as to ad valorem taxes on real or personal property, nor as to special purpose obligations or assessments imposed by another state in connection with particular kinds of insurance other than property insurance; except that deductions, from premium taxes or other taxes otherwise payable, allowed on account of real estate or personal property taxes paid shall be taken into consideration by the commissioner in determining the propriety and extent of retaliatory action under this section.

(4) For the purposes of this section the domicile of an alien insurer, other than insurers formed under the laws of Canada, or a province thereof, shall be that state designated by the insurer in writing filed with the commissioner at time of admission to this state or within six months after the effective date of this code, whichever date is the later, and may be any one of the following states:

(a) That in which the insurer was first authorized to transact insurance;

(b) That in which is located the insurer's principal office;

(c) That in which is held the largest deposit of trusteed assets of the insurer for the protection of its policyholders in the United States.

If the insurer makes no such designation its domicile shall be deemed to be that state in which is located its principal office.

SUBTITLE 4

Section 1. A new section of Subtitle 4 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

The commissioner shall collect in advance, and persons so served shall pay in advance to the commissioner, fees, licenses and miscellaneous charges as follows:

(1) Annual statement of insurer:

(a) Filing each year ---------- $ 50.00

(b) Filing additional or supplemental statement in same year ---------- 50.00

(2)	For filing charter documents:	
	(a) Original charter document, bylaws and records of organization of insurer, or certified copies thereof, required to be filed	50.00
	(b) Amended charter documents, or certified copy thereof	10.00
(3)	Certificate of Authority:	
	(a) Issuance of original certificate	200.00
	(b) Amending, to add a line	10.00
	(c) Renewal, each year	100.00
(4)	Organization of domestic mutual insurers: Filing application for solicitation permit and issuance of such permit	100.00
(5)	Agent's licenses, foreign and alien insurers:	
	(a) License for life insurer, whether or not health insurance is included, each year	5.00
	(b) License for industrial life insurer, only, each year	5.00
	(c) License for other insurance, each insurer represented, each year	5.00
	(d) Limited license as travel insurance agent, each year	5.00
	(e) Temporary license as property and casualty agent	5.00
	(f) Temporary license as life and health agent	5.00
	(g) Non-resident agent, each year	10.00
(6)	Surplus line broker, each year	50.00
(7)	Solicitor's license, each year	15.00
(8)	Adjuster's license, each year	25.00
(9)	Consultant's license, each year	25.00
(10)	Examination, for or in connection with licensing of agents, solicitors and adjusters:	
	(a) Each examination first line	10.00
	(b) Each additional line	5.00
	(c) Re-examination of each line	5.00

(11) Miscellaneous services:

(a) Filing other documents, each	2.00
(b) Commissioner's certificate under seal, other than certificates, licenses, and other documents above provided for, each	2.00
(c) For copies of any document on file with the commissioner, per page	.25
(d) Copy of Annual Statements, per page	1.00
(e) Service of process on commissioner	5.00
(f) Copy of agent's study manual	5.00
(g) Copy of Kentucky Insurance Laws	5.00

Section 2. A new section of Subtitle 4 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

The commissioner shall promptly pay into the State Treasury all fees, licenses, and charges collected by him under the provisions of Section 1 of Subtitle 4 of this Act. Such fees, licenses, and charges shall comprise a fund allocated for the use of the commissioner in the administration of this code and any portion of such fund not used during a calendar year shall be carried forward for subsequent use.

Section 3. A new section of Subtitle 4 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

Each domestic mutual insurer shall file with the Department of Revenue each year by March 1, a report showing the premiums paid by it during the preceding calendar year to all reinsurers, and shall accompany such report with payment of a tax of two percent of the amount of premiums so paid to insurers not authorized to transact business in this state at the time such reinsurance was so ceded.

Section 4. A new section of Subtitle 4 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

The commisisoner may revoke the certificate of authority, of any insurer which fails to pay when due, any taxes, fees, licenses and other charges owing to this state. The commissioner may likewise revoke the license of any agent, surplus line broker, solicitor, adjuster or consultant, as to whom any tax or fee required under this code has not been paid when due.

SUBTITLE 5

Section 1. A new section of Subtitle 5 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

It is intended that certain insurance coverages may come within the definitions of two or more kinds of insurance as defined in this chapter, and the inclusion of such coverage within one definition shall not exclude it as to any other kind of insurance within the definition of which such coverage is likewise reasonably includable.

Section 2. A new section of Subtitle 5 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

"Life insurance" is insurance on human lives. The transaction of life insurance includes the granting of endowment benefits, additional incidental benefits in the event of death by accident or accidental means, additional incidental benefits in the event of loss of eyesight or limb by accident or disease, additional incidental benefits in the event of the insured's disability, optional modes of settlement of proceeds of life insurance, and provisions operating to safeguard contracts of life insurance against lapse.

Section 3. A new section of Subtitle 5 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

An "annuity" is a contract under which obligations are assumed with respect to periodic payments for a specific term or terms, or where the making or continuance of all or some of such payments, the amount of any such payment, is dependent upon the continuance of human life except payments made pursuant to optional modes of settlement under Section 2 of Subtitle 5 of this Act. Such a contract which includes extra benefits of the kinds set forth in Sections 2 and 4 of Subtitle 5 of this Act shall nevertheless be deemed to be an annuity if such extra benefits constitute a subsidiary or incidental part of the entire contract.

Section 4. A new section of Subtitle 5 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

"Health insurance" is insurance of human beings against bodily injury, disablement, or death by accident or accidental

means, or the expense thereof, or against disablement or expense resulting from sickness, and every insurance appertaining thereto.

Section 5. A new section of Subtitle 5 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

"Property insurance" is insurance on real or personal property of every kind and of every interest therein against loss or damage from any and all hazard or cause, and against loss consequential upon such loss or damage, other than noncontractual legal liability for any such loss or damage. Property insurance does not include title insurance, as defined in Section 9 of Subtitle 5 of this Act.

Section 6. A new section of Subtitle 5 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

"Surety insurance" includes:

(1) Fidelity insurance, which is insurance guaranteeing the fidelity of persons holding positions of public or private trust.

(2) Insurance guaranteeing the performance of contracts, other than insurance policies, and guaranteeing and executing bonds, undertakings, and contracts of suretyship.

(3) Insurance indemnifying banks, bankers, brokers, financial or moneyed corporations or associations against loss, resulting from any cause, of bills of exchange, notes, bonds, securities, evidences of debt, deeds, mortgages, warehouse receipts or other valuable papers, documents, money, precious metals and articles made therefrom, jewelry, watches, gems, precious and semiprecious stones, including any loss while the same are being transported in armored motor vehicles, or by messenger, but not including any other risks of transportation or navigation; also insurance against loss or damage to such an insured's premises or to his furnishings, fixtures, equipment, safes and vaults therein, caused by burglary, robbery, theft, vandalism or malicious mischief, or any attempt thereat.

Section 7. A new section of Subtitle 5 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) "Casualty insurance" includes:

(a) Vehicle insurance. Insurance against loss of or dam-

age to any land vehicles or aircraft or any draft or riding animal or to property while contained therein or thereon or being loaded or unloaded therein or therefrom, from any hazard or cause, and against any loss, liability or expense resulting from or incidental to ownership, maintenance or use of any such vehicle, aircraft or animal; together with insurance against accidental injury to individuals, irrespective of legal liability of the insured, including the name insured, while in, entering, alighting from, adjusting, repairing, cranking, or caused by being struck by a vehicle, aircraft or draft or riding animal, if such insurance is issued as an incidental part of insurance on the vehicle, aircraft or draft or riding animal.

(b) Liability insurance. Insurance against legal liability for the death, injury, or disability of any human being, or for damage to property; and provision of medical, hospital, surgical, disability benefits to injured persons and funeral and death benefits to dependents, beneficiaries or personal representatives of persons killed, irrespective of legal liability of the insured, when issued as an incidental coverage with or supplemental to liability insurance.

(c) Workmen's compensation and employer's liability. Insurance of the obligations accepted by, imposed upon, or assumed by employers under law for death, disablement, or injury of employes.

(d) Burglary and theft. Insurance against loss or damage by burglary, theft, larceny, robbery, forgery, fraud, vandalism, malicious mischief, confiscation, or wrongful conversion, disposal or concealment, or from any attempt at any of the foregoing; including supplemental coverage for medical, hospital, surgical, and funeral expense incurred by the named insured or any other person as a result of bodily injury during the commission of a burglary, robbery, or theft by another; also insurance against loss of or damage to moneys, coins, bullion, securities, notes, drafts, acceptances, or any other valuable papers and documents, resulting from any cause.

(e) Personal property floater. Insurance upon personal effects against loss or damage from any cause.

(f) Glass. Insurance against loss or damage to glass, including its lettering, ornamentation, and fittings.

(g) Boiler and machinery. Insurance against any liability and loss or damage to property or interest resulting from accidents to or explosions of boilers, pipes, pressure containers, machinery, or apparatus, and the inspection of and issuance of certificates of inspection upon boilers, machinery, and apparatus of any kind, whether or not insured.

(h) Leakage and fire extinguishing equipment. Insurance against loss or damage to any property or interest caused by the breakage or leakage of sprinklers, hoses, pumps and other fire extinguishing equipment or apparatus, water pipes or containers, or by water entering through leaks or openings in buildings, and insurance against loss or damage to such sprinklers, hoses, pumps, and other fire extinguishing equipment or apparatus.

(i) Credit. Insurance, other than mortgage guaranty insurance, against loss or damage resulting from failure of debtors to pay their obligations to the insured.

(j) Malpractice. Insurance against legal liability of the insured, and against loss, damage, or expense incidental to a claim of such liability, and including medical, hospital, surgical, and funeral benefits to injured persons, irrespective of legal liability of the insured, arising out of the death, injury, or disablement of any person, or arising out of damage to the economic interest of any person, as the result of negligence in rendering expert, fiduciary, or professional service.

(k) Elevator. Insurance against loss of or damage to any property of the insured, resulting from the ownership, maintenance, or use of elevators, except loss or damage by fire, and the inspection of and issuance of certificates of inspection upon, elevators.

(l) Congenital defects. Insurance against congenital defects in human beings.

(m) Livestock. Insurance against loss of or damage to livestock from any cause.

(n) Entertainments. Insurance indemnifying the producer of any motion picture, television, radio, theatrical, sport, spectacle, entertainment, or similar production, event, or exhibition against loss from interruption, postponement, or cancella-

tion thereof due to death, accidental injury, or sickness of performers, participants, directors, or other principals.

(o) Failure of certain institutions to record documents. Insurance indemnifying against loss from failure or omission to record as public records, liens of any kind upon personal property, given, held, delivered, or possessed as security or collateral for loans, advances, debts, or obligations of all kinds.

(p) Automobile guaranty. Insurance of the mechanical condition or, freedom from defective or worn parts of motor vehicles, other than as provided by manufacturer's warranty.

(q) Miscellaneous. Insurance against any other kind of loss, damage, or liability properly a subject of insurance and not within any other kind of insurance as defined in this chapter, if such insurance is not disapproved by the commissioner as being contrary to law or public policy.

(2) Provision of medical, hospital, surgical, and funeral benefits and of coverage against accidental death or injury, as incidental to and part of other insurance as stated under subparagraph (a) (Vehicle), (b) (Liability), (d) (Burglary), (g) (Boiler Machinery), (j) (Malpractice), and (k) (Elevator) of subsection (1) shall for all purposes be deemed to be the same kind of insurance to which it is so incidental, and shall not be subject to provisions of this code applicable to life and health insurances.

Section 8. A new section of Subtitle 5 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) "Marine and transportation insurance" includes:

(a) Insurance against any kinds of loss or damage to:

1. Vessels, craft, aircraft, goods, freights, cargoes, merchandise, effects, disbursements, profits, moneys, bullion, precious stones, securities, choses in action, evidences of debt, valuable papers, bottomry and respondentia interests and all other kinds of property and interests therein, in respect to, appertaining to, or in connection with any and all risks or perils of navigation, transit, or transportation, including war risks, on or under any seas or other waters, on land or in the air, or while being assembled, packed, crated, baled, compressed or similarly pre-

pared for shipment or while awaiting the same or during any delays, storage, transhipment, or reshipment incident thereto, including marine builder's risks and all personal property floater risks, and

2. Person or to property in connection with or appertaining to a marine, inland marine, transit or transportation insurance, including liability for loss of or damage to either, arising out of or in connection with the construction, repair, operation, maintenance or use of the subject matter of such insurance (but not including life insurance or surety bonds nor insurance against loss by reason of bodily injury to the person arising out of the ownership, maintenance or use of automobiles), and

3. Precious stones, jewels, jewelry, gold, silver and other precious metals, whether used in business or trade or otherwise and whether the same be in course of transportation or otherwise, and

4. Bridges, tunnels and other instrumentalities of transportation and communication (excluding buildings, their furniture and furnishings, fixed contents and supplies held in storage), unless fire, tornado, sprinkler leakage, hail, explosion, earthquake, riot and/or civil commotion are the only hazards to be covered; piers, wharves, docks and slips, excluding the risks of fire, tornado, sprinkler leakage, hail, explosion, earthquake, riot and/or civil commotion; other aids to navigation and transportation, including dry docks and marine railways, against all risks.

(b) "Marine protection and indemnity insurance" meaning insurance against, or against legal liability of the insured for, loss, damage or expense arising out of, or incident to, the ownership, operation, chartering, maintenance, use, repair or construction of any vessel, craft or instrumentality in use in ocean or inland waterways, including liability of the insured for personal injury, illness or death or for loss of or damage to the property of another person.

(2) For the purposes of this code, "wet marine and transportation insurance" is that part of marine and transportation insurance which includes only:

(a) Insurance upon vessels, crafts, hulls, and of interests therein or with relation thereto;

(b) Insurance of marine builders' risks, marine war risks and contracts of marine protection and indemnity insurance;

(c) Insurance of freights and disbursements pertaining to a subject of insurance coming within this definition; and

(d) Insurance of personal property and interests therein, in course of exportation from or importation into any country, or in course of transportation coastwise or on inland waters, including transportation by land, water or air from point of origin to final destination, in respect to, appertaining to or in connection with, any and all risks or perils of navigation, transit or transportation, and while being prepared for and while awaiting shipment, and during any delays, storage, transshipment or reshipment incident thereto.

Section 9. A new section of Subtitle 5 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

"Title insurance" is insurance of owners of property or others having an interest therein, or liens or encumbrances thereon, against loss by encumbrance, or defective title, or invalidity, or adverse claim to title.

Section 10. A new section of Subtitle 5 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

"Mortgage Guaranty insurance" is insurance against financial loss by reason of nonpayment of principal, interest, rent or other sums agreed to be paid under the terms of any note, bond, lease, or other evidence of indebtedness constituting a charge on real estate, or secured by mortgage, deed of trust, or other instrument constituting a lien on real estate.

Section 11. A new section of Subtitle 5 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

A "multiple line" insurer is an insurer which transacts any two or more of the following kinds of insurance, health, property, surety, casualty, marine and transportation.

Section 12. A new section of Subtitle 5 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) No insurer shall retain any risk on any one subject of insurance, whether located or to be performed in this state or

elsewhere, in an amount exceeding 10 percent of its surplus to policyholders.

(2) A "subject" of insurance for the purposes of this section, as to insurance against fire and hazards other than windstorm, earthquake and other catastrophic hazards, includes all properties insured by the same insurer which are customarily considered by underwriters to be subject to loss or damage from the same fire or the same occurrence of any other hazard insured against.

(3) Reinsurance ceded, as authorized by Section 14 of Subtitle 5 of this Act, shall be deducted in determining risk retained. As to surety risks, deduction shall be made of the amount assumed by any authorized co-surety and the value of any security deposited, pledged, or held subject to the surety's consent and for the surety's protection.

(4) As to alien insurers, this section shall relate only to risks and surplus to policyholders of the insurer's United States branch.

(5) "Surplus to policyholders" for the purposes of this section, in addition to the insurer's capital and surplus, shall be deemed to include any voluntary reserves which are not required pursuant to law, and shall be determined from the last sworn statement of the insurer on file with the commissioner, or by the last report of examination of the insurer, whichever is the more recent at time of assumption of risk.

(6) This section shall not apply to life or health insurance, annuities, title insurance, insurance of wet marine and transportation risks, workmen's compensation insurance, employers' liability coverages, nor to any policy or type of coverage as to which the maximum possible loss to the insurer is not readily ascertainable on issuance of the policy.

(7) Limits of risk as to newly formed domestic mutual insurers shall be as provided in Section 10 of Subtitle 24 of this Act.

(8) Limits of risk as to mortgage guaranty insurers shall be as provided in Section 3 of Subtitle 23 of this Act.

Section 13. A new section of Subtitle 5 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

"Reinsurance" is a contract under which an originating insurer (called the "ceding" insurer) procures insurance for itself in another insurer (called the "assuming" insurer or the "reinsurer") with respect to part or all of an insurance risk of the originating insurer.

Section 14. A new section of Subtitle 5 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) An insurer may accept reinsurance only of such kinds of risks, and retain risk thereon within such limits, as it is otherwise authorized.

(2) An insurer may reinsure all or part of any particular risk with any solvent insurer authorized to transact insurance in one or more states and having surplus to policyholders in amount not less than the paid-in capital stock required of an authorized foreign stock insurer transacting like kinds of insurance. Cession of bulk reinsurance by a domestic insurer is subject to Section 42 of Subtitle 24 of this Act.

(3) No credit shall be allowed to an insurer, as an asset or as a deduction from liability, for reinsurance ceded to an alien insurer unless such alien insurer has surplus to policyholders in amount not less than the paid-in capital stock required of an authorized foreign stock insurer transacting like kinds of insurance and is authorized to transact insurance in at least one state of the United States; or, in the case of a group of individual, unincorporated alien insurers, has assets held in trust for the benefit of its United States policyholders in a sum not less than $50,000,000, and is authorized to transact insurance in at least one state.

(4) Credit shall be allowed as an asset or as a deduction from liability, to any ceding insurer for reinsurance ceded to an assuming insurer qualified therefor under subsections (2) or (3), except that no such credit shall be allowed unless the reinsurance is payable by the assuming insurer on the basis of the liability of the ceding insurer under the contracts reinsured without diminution because of the insolvency of the ceding insurer.

(5) Upon request of the commissioner an insurer shall promptly inform the commissioner in writing of the cancellation or any other material change of any of its reinsurance treaties or arrangements.

Section 15. A new section of Subtitle 5 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

Complete copies of reinsurance treaties and contracts shall, at his request, be filed with and approved by the commissioner.

SUBTITLE 6

Section 1. A new section of Subtitle 6 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) In any determination of the financial condition of an insurer, there shall be allowed as assets only such assets as are owned by the insurer and which consist of:

(a) Cash in the possession of the insurer, or in transit under its control, and including the true balance of any deposit in a solvent bank or trust company.

(b) Investments, securities, properties and loans acquired or held in accordance with this code and in connection therewith the following items:

1. Interest due or accrued on any bond or evidence of indebtedness which is not in default and which is not valued on a basis including accrued interest.

2. Declared and unpaid dividends on stocks and shares, unless such amount has otherwise been allowed as an asset.

3. Interest due or accrued upon a collateral loan in an amount not to exceed one year's interest thereon.

4. Interest due or accrued on deposits in solvent banks and trust companies, and interest due or accrued on other assets, if such interest is in the judgment of the commissioner a collectible asset.

5. Interest due or accrued on a mortgage loan, in an amount not exceeding in any event the amount, if any, of the

excess of the value of the property less delinquent taxes thereon over the unpaid principal; but in no event shall interest accrued for a period in excess of eighteen months be allowed as an asset.

6. Rent due or accrued on real property if such rent is not in arrears for more than three months, and rent more than three months in arrears if the payment of such rent be adequately secured by property held in the name of the tenant and conveyed to the insurer as collateral.

(c) Premium notes, policy loans, and other policy assets and liens on policies of life insurance and annuity contracts and accrued interest thereon, in an amount not exceeding the legal reserve and other policy liabilities carried on each individual policy.

(d) The net amount of uncollected and deferred premiums and annuity considerations in the case of a life insurer, corresponding to the basis on which reserves are held.

(e) Premiums in the course of collection, other than for life insurance, not more than three months past due, less commissions payable thereon. The foregoing limitation shall not apply to premiums payable directly or indirectly by the United States government or by any of its instrumentalities.

(f) Installment premiums other than life insurance premiums to the extent of the policy reserve carried on the policy to which premiums apply.

(g) Notes and like written obligations not past due, taken for premiums other than life insurance premiums, on policies permitted to be issued on such basis, to the extent of the policy reserve carried thereon.

(h) The full amount of reinsurance recoverable by a ceding insurer from a solvent reinsurer and which reinsurance is authorized under Section 14 of Subtitle 5 of this Act.

(i) Amounts receivable by an assuming insurer representing funds withheld by a solvent ceding insurer under a reinsurance treaty.

(j) Deposits or equities recoverable from underwriting associations, syndicates and reinsurance funds, or from any suspended banking institution, to the extent deemed by the com-

missioner available for the payment of losses and claims and at values to be determined by him.

(k) As to a title insurer, its title plant and equipment reasonably necessary for conduct of its abstract or title insurance business, at not to exceed the cost thereof.

(l) Electronic and mechanical machines, and related equipment constituting a data processing, record keeping, or accounting system or systems if the cost of each such system, including additions thereto is at least one hundred thousand dollars, which cost shall be amortized in full over a period not to exceed ten years. The aggregate amount invested in all such systems shall not exceed 5 percent of the insurer's assets.

(m) All assets, whether or not consistent with the provisions of this section, as may be allowed pursuant to the annual statement form approved by the commissioner for the kinds of insurance to be reported upon therein.

(n) Other assets, not inconsistent with the provisions of this section, deemed by the commissioner to be available for the payment of losses and claims, at values to be determined by him.

(2) Admitted assets may be allowed as deductions from corresponding liabilities, and liabilities may be charged as deductions from assets, and deductions from assets may be charged as liabilities, in accordance with the form of annual statement applicable to such insurer as prescribed by the commissioner, or otherwise in his discretion. The commissioner may make official regulations prescribing the application of the provisions of this section.

Section 2. A new section of Subtitle 6 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

The following expressly shall not be allowed as assets in any determination of the financial condition of an insurer:

(1) Good will, trade names and other like intangible assets.

(2) Advances to officers or directors (other than policy loans) whether secured or not, and advances to employes, agents and other persons on personal security only.

(3) Stock of such insurer, owned by it, or any equity therein or loans secured thereby, or any proportionate interest in

such stock acquired or held through the ownership by such insurer of an interest in another firm, corporation or business unit. Any such stock owned by such insurer shall be held as treasury stock and be deducted from the total issue of outstanding shares.

(4) Furniture, fixtures, furnishings, safes, vehicles, libraries, stationery, literature and supplies (other than equipment authorized under subsection (1) of Section 1 of Subtitle 6 of this Act, except in the case of title insurers such materials and plants as the insurer is expressly authorized to invest in under subsection (1)(k) of Section 1 of Subtitle 6 of this Act and except, in the case of an insurer, such personal property as the insurer is permitted to hold pursuant to Subtitle 7 or which is reasonably necessary for the maintenance and operation of real estate lawfully acquired and held by the insurer, other than real estate used by it for home office, branch office and similar purposes.

(5) The amount, if any, by which the aggregate book value of investments as carried in the ledger assets of the insurer exceeds the aggregate value thereof as determined under this code.

Section 3. A new section of Subtitle 6 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) Any member, officer, director, employe, or attorney-in-fact of any company, association, or exchange licensed to do an insurance business in this state, who on behalf of such company, association, or exchange, borrows, rents, hires, leases, or otherwise engages the use of stocks, bonds, debentures, notes, investment certificates, securities, or other obligations or evidences of indebtedness owned or issued by any other corporation, company, association, or individual, or of any government, political subdivision or agency thereof, with intent to injure or defraud any other company, body politic or corporation, or person, or to deceive the commissioner or other person legally authorized to examine the affairs of any such company, association, or exchange, is guilty of a felony.

(2) Any individual that aids and abets such insurance company, association or exchange in borrowing, renting, hiring,

leasing, or engaging the use of such stocks, bonds, debentures, note, investment certificates, securities, or other obligations or evidences of indebtedness, is guilty of a felony.

(3) Any individual who has been convicted under subsection (1) or (2) shall be sentenced to imprisonment for a term of not more than seven years, or be sentenced to pay a fine not exceeding ten thousand dollars, or both.

(4) If any insurance company, association, or exchange is found by the commissioner, after a hearing, to have committed the acts set out in subsections (1) and (2), the commissioner may require such company, association, or exchange to pay a fine not exceeding $10,000.

(5) If any insurance company, association, or exchange is found in possession of stocks, bonds, debentures, notes, investment certificates, securities, or other obligations or evidences of indebtedness acquired in violation of subsection (1), or if any of its officers, directors, members, or attorneys-in-fact have been convicted under subsection (1), such company, association, or exchange may be subject to suspension of its certificate of authority by the commissioner. Nothing in this section shall be construed to prevent the commissioner from commencing delinquency proceedings under this code.

Section 4. A new section of Subtitle 6 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

In any determination of the financial condition of an insurer, capital stock and liabilities to be charged against its assets shall include:

(1) The amount of its capital stock outstanding, if any, less the amount of shares held by the insurer as treasury stock as provided in subsection (3) of Section 2 of Subtitle 6 of this Act.

(2) The amount, estimated consistent with the provisions of Subtitle 6, necessary to pay all of its unpaid losses and claims incurred on or prior to the date of statement, whether reported or unreported, together with the expenses of adjustment or settlement thereof.

(3) With reference to life insurance policies and annuity contracts, and disability and accidental death benefits in or supplemental thereto:

(a) The amount of reserves on life insurance policies and annuity contracts in force, valued according to the tables of mortality, rates of interest, and methods adopted pursuant to Sections 13 and 18 of Subtitle 6 of this Act, inclusive.

(b) Reserves for disability benefits, for both active and disabled lives required by subsection (2)(e) of Section 14 of Subtitle 6 of this Act.

(c) Reserves for accidental death benefits, required by subsection (2)(b) of Section 14 of Subtitle 6 of this Act.

(d) Any additional reserves which may be required by the commissioner consistent with applicable customary and general practice in insurance accounting as set forth in regulations promulgated by the commissioner.

(4) Reserves for health insurance required by Section 7 of Subtitle 6 of this Act.

(5) With reference to insurance other than specified in subsections (3) and (4) above, and other than title insurance, the amount of the policy reserves computed in accordance with Subtitle 6.

(6) Taxes, expenses and other obligations due or accrued at the date of the statement.

Section 5. A new section of Subtitle 6 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) As to property, casualty, surety and mortgage guaranty insurance the insurer shall maintain an unearned premium reserve on all policies in force.

(2) Except as provided in Section 6 of Subtitle 6 of this Act as to marine and transportation risks and in subsection (3) the unearned premium reserve shall be computed, after deduction of applicable reinsurance in solvent insurers, at the insurer's election either:

(a) As equal to not less than 50 percent of the annual premiums in force, or

(b) On a monthly or more frequent pro rata basis as to all such reserves.

(3) As to mortgage guaranty insurers, premiums on risks written for one year or less must be reserved on a monthly pro rata basis.

(4) After adopting a method for computing such reserve, an insurer shall not change methods without the approval of the insurance supervisory official of the insurer's domicile.

Section 6. A new section of Subtitle 6 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

As to marine and transportation insurance, the entire amount of premiums on trip risks not terminated shall be deemed unearned; and the commissioner shall require the insurer to carry a reserve equal to 100 percent of premiums on trip risks written during the month ended as of the date of statement.

Section 7. A new section of Subtitle 6 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

For all health insurance policies the insurer shall maintain an active life reserve and an actuarially determined claim reserve for unaccrued benefits which shall place a sound value on its liabilities under such policies and be not less than the reserve according to appropriate standards set forth in regulations issued by the commissioner and in no event less in the aggregate than the pro rata gross unearned premiums for such policies.

Section 8. A new section of Subtitle 6 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

In addition to an adequate reserve as to outstanding losses as required under Section 4 of Subtitle 6 of this Act, a title insurer shall maintain a guaranty fund or unearned premium reserve of not less than an amount computed as follows:

(1) Ten percent of the total amount of the risk portion of premiums written in the calendar year for title insurance contracts shall be assigned originally to the reserve.

(2) During each of the twenty years next following the year in which the title insurance contract was issued, the reserve applicable to the contract shall be reduced by 5 percent of the original amount of such reserve.

Section 9. A new section of Subtitle 6 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

For the protection of the people of this Commonwealth and for the purpose of protecting against the effect of adverse economic cycles, each mortgage guaranty insurer may establish a contingency reserve which shall be maintained for 180 months. To provide for this, the insurer shall annually contribute 50 percent of the earned premiums to this reserve. The earned premiums so reserved may be released, annually, after the specified time of 180 months has elapsed. However, subject to the approval of the commissioner, this reserve may be available only for loss payments, when the loss ratio (incurred losses to premiums earned) exceeds 20 percent. This amount so used shall reduce the next subsequent annual release to surplus from the established contingency reserve.

Section 10. A new section of Subtitle 6 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) As to casualty insurance transacted by it, each insurer shall maintain at all times reserves in an amount estimated in the aggregate to provide for payment of all losses and claims incurred, whether reported or unreported, which are unpaid and for which the insurer may be liable, and to provide for the expenses of adjustment or settlement of losses and claims. The reserves shall be computed in accordance with regulations from time to time made by the commissioner, after due notice and hearing, upon reasonable consideration of the ascertained experience and the character of such kind of business for the purpose of adequately protecting the insured and the solvency of the insurer.

(2) Whenever the loss and loss expense experience of the insurer show that reserves, calculated in accordance with such regulations, are inadequate, the commissioner may require the insurer to maintain additional reserves.

(3) The minimum reserve requirements prescribed by the commissioner for unpaid losses and loss expenses incurred during each of the most recent three years for coverages included in the lines of business described in the insurer's annual statement as workmen's compensation, liability other than auto (B.I.),

and auto liability (B.I.) shall not be less than the following: for workmen's compensation, 65 percent of premiums earned during each year less the amount already paid for losses and expenses incidental thereto incurred during such year; for liability other than auto (B.I.) and auto liability (B.I.), 60 percent of premiums earned during each year less the amount already paid for losses and expenses incidental thereto incurred during such year.

(4) The commissioner may, by regulation, prescribe the manner and form of reporting pertinent information concerning the reserves provided for in this section.

Section 11. A new section of Subtitle 6 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

The case basis method shall be used to determine mortgage guaranty loss reserves, which shall include a reserve for claims reported and unpaid and a reserve for claims incurred but not reported.

Section 12. A new section of Subtitle 6 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

Sections 13 and 18 of Subtitle 6 of this Act, inclusive, shall be known as the "standard valuation law."

Section 13. A new section of Subtitle 6 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) The commissioner shall annually value, or cause to be valued, the reserve liabilities, hereinafter called reserves, for all outstanding life insurance policies and annuity and pure endowment contracts of every life insurer transacting business in this state, except that in the case of an alien insurer, such valuation shall be limited to its United States business; and may certify the amount of any such reserves, specifying the mortality table or tables, rate or rates of interest and methods, net level premium method or other, used in the calculation of such reserves. In calculating such reserves, he may use group methods and approximate averages for fractions of a year or otherwise. In lieu of the valuation of the reserves required of any foreign or alien insurer, he may accept any valuation made, or caused to be made, by the insurance supervisory official of any state

or other jurisdiction when such valuation complies with the minimum standard herein provided and if the official of such state or jurisdiction accepts as sufficient and valid for all legal purposes the certificate of valuation of the commissioner when such certificate states the valuation to have been made in a specified manner according to which the aggregate reserves would be at least as large as if they had been computed in the manner prescribed by law of that state or jurisdiction. Where any such valuation is made by the commisisoner, he may use the actuary of the department or employ an actuary for the purpose, and the reasonable compensation and expenses of the actuary, at a rate approved by the commissioner, upon demand by the commissioner supported by an itemized statement of such compensation and expenses, shall be paid by the insurer. When a domestic insurer furnishes the commissioner with a valuation of its outstanding policies as computed by its own actuary or by an actuary deemed satisfactory for the purpose by the commissioner, the valuation shall be verified by the actuary of the department without cost to the insurer.

(2) Any such insurer which at any time shall have adopted any standard of valuation producing greater aggregate reserves than those calculated according to the minimum standard herein provided may, with the approval of the commissioner, adopt any lower standard of valuation, but not lower than the minimum herein provided.

Section 14. A new section of Subtitle 6 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) This subsection applies only to policies and contracts issued prior to January 1, 1948, or such earlier date after June 13, 1944, as shall have been elected by an insurer as the date on and after which it would comply with the standard nonforfeiture law. The minimum standard for the valuation of all such policies and contracts shall be that provided by the laws in effect immediately prior to such date. Reserves for all such policies and contracts may be calculated, at the option of the insurer, according to any standards which produce greater aggregate reserves for all such policies and contracts than the minimum reserves required by this subsection.

(2) This subsection applies only to policies and contracts

issued on and after January 1, 1948, or such earlier date after June 13, 1944, as shall have been elected by an insurer as the date on and after which it would comply with the standard nonforfeiture law.

The minimum standard for the valuation of all such policies and contracts shall be the commissioners reserve valuation method defined in Section 15 of Subtitle 6 of this Act, 4 percent interest, and the following tables:

(a) Standard Ordinary Mortality Table. For all ordinary policies of life insurance issued on the standard basis, excluding any disability and accidental death benefits in such policies, – the Commissioners 1941 Standard Ordinary Mortality Table; provided, however, that the Commissioners 1958 Standard Ordinary Mortality Table shall be the table for such minimum standard for such policies issued on and after January 1, 1966, or such earlier date after June 16, 1960, as shall have been elected by an insurer as the date on and after which it would use such table as the basis for minimum cash surrender values and nonforfeiture benefits under the standard nonforfeiture law; provided that for any category of such policies issued on female risks all modified net premiums and present values referred to in Sections 13 to 18 of Subtitle 6 of this Act, inclusive, calculated according to an age not more than three years younger than the actual age of the insured.

(b) Standard Industrial Mortality Table. For all industrial life insurance policies issued on the standard basis, excluding any disability and accidental death benefits in such policies, – the 1941 Standard Industrial Mortality Table; provided, however, that the Commissioners 1961 Standard Industrial Mortality Table shall be the table for such minimum standard for such policies issued on and after January 1, 1968, or such earlier date after June 14, 1962, as shall have been elected by the insurer as the date on and after which it would use such table as the basis for minimum cash surrender values and nonforfeiture benefits under the standard nonforfeiture law.

(c) Standard Annuity Mortality Table or Annuity Mortality Table. For individual annuity and pure endowment contracts, excluding any disability and accidental death benefits in such policies – the 1937 Standard Annuity Mortality Table or,

at the option of the insurer, the Annuity Mortality Table for 1949, Ultimate, or any modification of either of these tables approved by the commissioner.

(d) Group Annuity Mortality Table. For group annuity and pure endowment contracts, excluding any disability and accidental death benefits in such policies – the Group Annuity Mortality Table for 1951, any modification of such table approved by the commissioner, or, at the option of the insurer, any of the tables or modifications of tables specified for individual annuity and pure endowment contracts.

(e) Class (3) Disability Table. For total and permanent disability benefits in or supplementary to ordinary policies or contracts on active and disabled lives – for policies or contracts issued on or after January 1, 1966, the tables of Period 2 disablement rates and the 1930 to 1950 termination rates of the 1952 Disability Study of the Society of Actuaries, with due regard to the type of benefit; for policies or contracts issued on or after January 1, 1961 and prior to January 1, 1966, either such tables or, at the option of the insurer, the Class (3) Disability Table (1926), and for policies issued prior to January 1, 1961, the Class (3) Disability Table (1926). In addition, any such table shall, for active lives, be combined with a mortality table permitted for calculating the reserves for life insurance policies.

(f) Inter-Company Double Indemnity Mortality Table. For accidental death benefits in or supplementary to policies – for policies issued on or after January 1, 1966, the 1959 Accidental Death Benefits Table; for policies issued on or after January 1, 1961 and prior to January 1, 1966, either such table or, at the option of the insurer, the Inter-Company Double Indemnity Mortality Table; and for policies issued prior to January 1, 1961, the Inter-Company Double Indemnity Mortality Table. Either table shall be combined with a mortality table permitted for calculating the reserves for life insurance policies.

(g) Group life and other tables. For group life insurance, life insurance issued on the substandard basis and other special benefits – such tables as may be approved by the commissioner.

Section 15. A new section of Subtitle 6 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) Reserves according to the commissioners reserve val-

uation method, for the life insurance and endowment benefits of policies providing for a uniform amount of insurance and requiring the payment of uniform premiums shall be the excess, if any, of the present value, at the date of valuation, of such future guaranteed benefits provided for by such policies, over the then present value of any future modified net premiums therefor. The modified net premiums for any such policy shall be such uniform percentage of the respective contract premiums for such benefits that the present value, at the date of issue of the policy, of all such modified net premiums shall be equal to the sum of the then present value of such benefits provided for by the policy and the excess of (a) over (b), as follows:

(a) Net level annual premium. A net level annual premium equal to the present value, at the date of issue, of such benefits provided for after the first policy year, divided by the present value, at the date of issue, of an annuity of one per annum payable on the first and each subsequent anniversary of such policy on which a premium falls due. Such net level annual premium shall not exceed the net level annual premium on the nineteen-year premium whole life plan for insurance of the same amount at an age one year higher than the age at issue of such policy.

(b) Net one-year term premium. A net one-year term premium for such benefits provided for in the first policy year.

(2) Reserves according to the commissioners reserve valuation method for:

(a) Life insurance policies providing for a varying amount of insurance or requiring the payment of varying premiums,

(b) Annuity and pure endowment contracts,

(c) Disability and accidental death benefits in all policies and contracts, and

(d) All other benefits, except life insurance and endowment benefits in life insurance policies, shall be calculated by a method consistent with the provisions of this section, except that any extra premiums charged because of impairments or special hazards shall be disregarded in the determination of modified net premiums.

Section 16. A new section of Subtitle 6 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

In no event shall an insurer's aggregate reserves for all life insurance policies, excluding disability and accidental death benefits, which are subject to subsection (2) of Section 14 of Subsection 6 of this Act, be less than the aggregate reserves calculated in accordance with the method set forth in Section 15 of Subtitle 6 of this Act and the mortality table or tables and rate or rates of interest used in calculating nonforfeiture benefits for such policies.

Section 17. A new section of Subtitle 6 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

Reserves for any category of policies, contracts or benefits as established by the commissioner, which are subject to subsection (2) of Section 14 of Subtitle 6 of this Act, may be calculated, at the option of the insurer, according to any standards which produce greater aggregate reserves for such category than those calculated according to the minimum standard herein provided, but the rate or rates of interest used shall not be higher than the corresponding rate or rates of interest used in calculating any nonforfeiture benefits provided for therein. Reserves for participating life insurance policies, which are subject to subsection (2) of Section 14 of Subtitle 6 of this Act, may, with the consent of the commissioner, be calculated according to a rate of interest lower than the rate of interest used in calculating the nonforfeiture benefits in such policies, with the further proviso that if such lower rate differs from the rate used in the calculation of the nonforfeiture benefits by more than one-half percent the insurer issuing such policies shall file with the commissioner a plan providing for such equitable increases, if any, in the cash surrender values and nonforfeiture benefits in such policies as the commissioner shall approve.

Section 18. A new section of Subtitle 6 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

If the gross premium charged by any life insurer on any policy or contract, which is subject to subsection (2) of Section 14 of Subtitle 6 of this Act, is less than the net premium for the policy or contract according to the mortality table, rate of

interest and method used in calculating the reserve thereon, there shall be maintained on such policy or contract a deficiency reserve in addition to all other reserves required by law. For each such policy or contract the deficiency reserve shall be the present value, according to such standard, of an annuity of the difference between such net premium and the premium charged for such policy or contract, running for the remainder of the premium-paying period.

SUBTITLE 7

Section 1. A new section of Subtitle 7 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

Except as provided in Section 33 of Subtitle 7 of this Act, this Subtitle applies to domestic insurers only.

Section 2. A new section of Subtitle 7 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) Insurers shall hereafter invest in or lend their funds on the security of, and shall hold as invested assets, only eligible investments as prescribed in this chapter.

(2) Any particular investment held by an insurer on the effective date of this code, which was a legal investment at the time it was made, and which the insurer was legally entitled to possess immediately prior to such effective date, shall be deemed to be an eligible investment.

(3) Except as stated in subsection (2), eligibility of an investment shall be determined as of the date of the making or acquisition, but an investment permitted under Section 27 of Subtitle 7 of this Act shall be considered an eligible investment under another section or sections of this subtitle from and after the date on which it meets the requirements of eligibility of such section or sections as if it were made or acquired on that date.

(4) Any investment limitation or diversification requirement based upon the amount of the insurer's assets or a particular fund shall relate to such assets or fund as shown by the insurer's annual statement as of the December 31 next preceding

date of acquisition of the investment by the insurer, or as shown by a current applicable financial statement, resulting from merger with another insurer, bulk reinsurance, or change in capitalization.

Section 3. A new section of Subtitle 7 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) No security or investment (other than real and personal property acquired under Section 21 of Subtitle 7 of this Act shall be eligible for acquisition unless it is interest bearing or interest accruing or entitled to dividends or is otherwise income-entitled and is not then in default.

(2) No security or investment shall be eligible for purchase at a price above its fair value.

(3) No provision of this subtitle shall prohibit the acquisition by an insurer of other or additional securities or property if received as a dividend or as a lawful distribution of assets, or upon a debt or judgment, or under a lawful and bona fide agreement of bulk reinsurance, merger or consolidation. Any security or property so acquired which is not otherwise an eligible investment under this subtitle shall be disposed of pursuant to Section 29 of Subtitle 7 of this Act if real estate, or pursuant to Section 30 of Subtitle 7 of this Act if personal property or securities.

Section 4. A new section of Subtitle 7 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

An insurer shall not make any investment or loan (other than policy loans or annuity contract loans of a life insurer) without approval of its finance or executive committee, or the approval of a majority of its directors present at a duly held meeting of directors.

Section 5. A new section of Subtitle 7 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) Investments of an insurer transacting life or health insurance or both shall be subject to limitations set forth in the following sections of this subtitle identified for "life insurer."

(2) Investments of an insurer transacting other than life

insurance shall be subject to limitations set forth in the following sections of this subtitle identified for "other than life insurer."

(3) An insurer shall not have at any one time any combination of investments in or loans upon the security of the obligations, property, or securities of any one person aggregating an amount exceeding 10 percent of the insurer's assets. This restriction shall not apply as to general obligations issued, assumed or guaranteed by the United States or by any state, or by Canada or by any province thereof, or include policy loans made under Section 18 of Subtitle 7 of this Act.

Section 6. A new section of Subtitle 7 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

An insurer may invest in obligations not in default as to principal or interest, which are valid and legally authorized obligations issued, assumed or guaranteed by the United States or by any state thereof, or by Canada, or any of the provinces thereof, or by any county, city, town, village, municipality, or district therein or by any political subdivision thereof or by a public instrumentality of one or more of the foregoing, if, by statutory or other legal requirements applicable thereto, such obligations are payable, as to both principal and interest, from (1) taxes levied or by law required to be levied upon all taxable property or all taxable income within the jurisdiction of such governmental unit, or (2) adequate special revenues pledged or otherwise appropriated or by law required to be provided for the purpose of such payment; but not including any obligation payable solely out of special assessments on properties benefited by local improvements unless adequate security is evidenced by the ratio of assessment to the value of the property or the obligation is additionally secured by an adequate guaranty fund required by law.

Section 7. A new section of Subtitle 7 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) An insurer may invest in the obligations (and/or stock where stated) issued, assumed or guaranteed by the following agencies of the government of the United States, or in which said government is a participant, whether or not such obligations are guaranteed by such government:

(a) Farm Loan Bank.

(b) Commodity Credit Corporation.

(c) Federal Intermediate Credit Banks.

(d) Federal Land Banks.

(e) Central Bank for Cooperatives.

(f) Federal Home Loan Banks, and stock thereof.

(g) Federal National Mortgage Association, and stock thereof when acquired in connection with sale of mortgage loans to such association.

(h) International Bank for Reconstruction and Development.

(i) Inter-American Development Bank.

(j) Asian Development Bank.

(k) Any other similar agency of, or participated in by, the government of the United States and of similar financial quality.

(2) An insurer, either life or other than life, may not invest or have invested under this section and under Section 6 of Subtitle 7 of this Act, at any time, more than 60 percent of its assets. This limitation shall not apply to obligations issued, assumed or guaranteed by the United States.

Section 8. A new section of Subtitle 7 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) An insurer may invest in obligations, other than those eligible for investment under Section 2 of Subtitle 7 of this Act, issued, assumed or guaranteed by any solvent institution created or existing under the laws of the United States, or of Canada, or of any state, province, district or territory thereof, which are not in default as to principal or interest and which are qualified under any of the following:

(a) Obligations (including also bonds, notes or other obligations of corporations engaged primarily in the business of owning or holding or leasing real property, secured by one or more mortgages on real estate and/or by assignment of one or more leases on real estate) secured by adequate collateral security and bearing fixed interest and if during each of any three,

including either of the last two, fiscal years of a period of not less than three nor more than five fiscal years next preceding the date of acquisition by the insurer, the net earnings of the issuing, assuming or guaranteeing institution available for its fixed charges, as defined in Section 9 of Subtitle 7 of this Act, shall have been not less than one and one-quarter times the total of its fixed charges for such year, or obligations which, at the date of acquisition by the insurer, are adequately secured and have investment qualities and characteristics wherein the speculative elements are not predominant. In determining the adequacy of collateral security, not more than one-third of the total value of such required collateral shall consist of stock other than stock meeting the requirements of Section 10 of Subtitle 7 of this Act.

(b) Fixed interest bearing obligations, other than those described in subsection (1) (a), if the net earnings of the issuing, assuming or guaranteeing institution available for its fixed charges for a period of five fiscal years next preceding the date of acquisition by the insurer have averaged per year not less than one and one-half times its annual fixed charges applicable to such period and if during either of the last two years of such period such net earnings have been not less than one and one-half times its fixed charges for such year.

(c) Adjustment, income or other contingent interest obligations if the net earnings of the issuing, assuming or guaranteeing institution available for its fixed charges for a period of five fiscal years next preceding the date of acquisition by the insurer have averaged per year not less than one and one-half times the sum of its average annual fixed charges and its average annual maximum contingent interest applicable to such period and if during either of the last two years of such period such net earnings have been not less than one and one-half times the sum of its fixed charges and maximum contingent interest for such year.

(d) Fixed interest bearing obligations, other than those described in subsection (1) (a) and (b), if (a) net earnings of the issuing, assuming and guaranteeing institution available for its fixed charges for a period of five fiscal years next preceding the date of acquisition by the insurer have averaged per year not less than one and one-quarter times its averaged annual fixed charges applicable to such period and if during each of

any four fiscal years of such period such net earnings have been not less than one and one-quarter times its fixed charges for such year.

(2) An insurer, either life or other than life, may not invest or have invested under this section at any one time more than 60 percent of its assets.

Section 9. A new section of Subtitle 7 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) Certain terms used are defined for the purpose of this subtitle as follows:

(a) "Obligations" includes bonds, debentures, notes or other evidences of indebtedness.

(b) "Institution" includes a corporation, a joint-stock association and a business trust.

(c) "Net earnings available for fixed charges" means net income after deducting operating and maintenance expenses, taxes other than federal, state and other income taxes, depreciation and depletion, but excluding extraordinary nonrecurring items of income or expense appearing in the regular financial statements of the issuing, assuming or guaranteeing institutions.

(d) "Fixed charges" includes interest on funded and unfunded debt, amortization of debt discount, and rentals for leased properties having an unexpired term in excess of three years.

(2) If net earnings are determined in reliance upon consolidated earnings statements of parent and subsidiary institutions, such net earnings shall be determined after provisions for income taxes of only those subsidiaries in which the parent institution owns directly or indirectly less than 90 percent of all classes of voting stock, and after proper allowance for minority stock interest, if any; and the required coverage of fixed charges shall be computed on a basis including fixed charges and preferred dividends of subsidiaries other than those payable by such subsidiaries to the parent corporation or to any other of such subsidiaries, except that if the minority common stock interest in the subsidiary corporation is substantial, the fixed charges and preferred dividends may be apportioned.

Section 10. A new section of Subtitle 7 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

An insurer may invest in the preferred or guaranteed stocks or shares of any solvent institution organized and existing under the laws of the United States or of Canada, or of any state, province, district or territory thereof, if all of the prior obligations and prior preferred stocks, if any, of such institution at the date of acquisition by the insurer are eligible as investments under this subtitle; and if qualified under subsection (1) or subsection (2) following:

(1) Preferred stocks or shares shall be deemed qualified if both of the following requirements are met:

(a) The net earnings of such institution available for its fixed charges for a period of five fiscal years next preceding the date of acquisition by the insurer shall have averaged per year not less than one and one-half times the sum of its average annual fixed charges, if any, its average annual maximum contingent interest, if any, and its average annual preferred dividend requirements applicable to such period; and

(b) During either of the last two years of such period, such net earnings shall have been not less than one and one-half times the sum of its fixed charges, contingent interest and preferred dividend requirements for such year. The term "preferred dividend requirements" shall be deemed to mean cumulative or noncumulative dividends whether paid or not.

(2) Guaranteed stocks or shares shall be deemed qualified if the assuming or guaranteeing institution meets the requirements of subsection (1) (b) of Section 8 of Subtitle 7 of this Act, construed so as to include as a fixed charge the amount of guaranteed dividends of such issue or the rental covering the guarantee of such dividends.

(3) An insurer, either life or other than life, may not invest or have invested under this section, at any one time, more than 15 percent of its assets.

Section 11. A new section of Subtitle 7 of Chapter 304 of the Kentucky Sevised Statutes is created to read as follows:

(1) An insurer may invest in nonassessable (except as to bank or trust company stocks, and except for taxes) common

stocks of any solvent institution organized and existing under the laws of the United States or Canada, or of any state or province thereof.

(2) A life insurer may not invest or have invested under this section at any one time more than 20 percent of its assets.

(3) An other than life insurer may not invest or have invested under this section at any one time more than 33 1/3 percent of its assets.

Section 12. A new section of Subtitle 7 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

An insurer may acquire or retain as a permitted investment capital stock of any insurance company, burial association, corporation engaged in the issuance of burial contracts, or any other corporation, including a corporation which holds capital stock of a subsidiary insurance company, burial association, or corporation engaged in the issuance of burial contracts, whether incorporated under the laws of the United States or Canada, or of any state or province thereof, to the extent of (a) 50 percent, or (b) such higher percentage as may be approved by the commissioner, of its capital and surplus in excess of the minimum required capital and surplus as provided in Section 12 of Subtitle 3 of this Act, provided that upon consummation of the acquisition, the insurer holds a majority interest in the outstanding voting stocks in such corporation. Such acquisition may be for cash or in exchange for capital stock of the insurer, or partly in cash and partly in exchange for capital stock of the insurer.

Section 13. A new section of Subtitle 7 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

An insurer may invest in equipment trust obligations, certificates, conditional sales contracts, evidences of indebtedness or instruments which are adequately secured and evidence an interest in equipment wholly or in part within the United States or Canada and a right to receive determined portions of rental, purchase or other fixed obligatory payments for the use or purchase of such equipment.

Section 14. A new section of Subtitle 7 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

An insurer may invest in bank and bankers' acceptances and other bills of exchange of the kind and maturities made eligible, pursuant to law, for purchase in the open market by federal reserve banks.

Section 15. A new section of Subtitle 7 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

An insurer may invest in the shares of savings and loan or building and loan associations or in the savings accounts of federal savings and loan associations to the extent that the investment or account is insured by the Federal Savings and Loan Insurance Corporation pursuant to the National Housing Act of 1934, as amended.

Section 16. A new section of Subtitle 7 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

An insurer may invest in:

(1) A bank's common trust fund as defined in Section 584 of the United States Internal Revenue Code of 1954; and

(2) The securities of any investment company or investment trust registered with the federal Securities and Exchange Commission under the Investment Company Act of 1940, as from time to time amended.

Section 17. A new section of Subtitle 7 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) An insurer may invest in or loan upon production payments, or any interest therein evidenced by trust certificates or other instruments, payable from oil, gas or other hydrocarbons in producing properties located in the United States or the adjacent continental shelf if an obligation secured by and payable from such production payment or interest therein would qualify for investment under subsection (1) (a) of Section 8 of Subtitle 7 of this Act as an obligation which is adequately secured and has investment qualities and characteristics wherein the speculative elements are not predominant. "Production payments" means rights to oil, gas or other hydrocarbons in place or as produced which entitle the owner thereof to a specified fraction or percentage of production.

(2) An insurer, either life or other than life, may not invest or have invested under this section and under Sections 14, 15, and 16 of Subtitle 7 of this Act, at any one time, more than 10 percent of its assets.

Section 18. A new section of Subtitle 7 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

A life insurer may lend to its policyholders upon pledge of the policy as collateral security, any sum not exceeding the cash surrender value of the policy; or may lend against the pledge or assignment of any of its supplementary contracts or other contracts or obligations, so long as the loan is adequately secured by such pledge or assignment.

Section 19. A new section of Subtitle 7 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

An insurer may lend, and thereby invest its funds upon the pledge of securities eligible for investment under this subtitle. As at date made, no such loan shall exceed in amount 90 percent of the market value of such collateral pledged. The amount so loaned shall be included pro rata in determining the maximum percentage of funds permitted under this subtitle to be invested in the respective categories of securities so pledged.

Section 20. A new section of Subtitle 7 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) An insurer may invest in obligations, other than those described in Section 8 of Subtitle 7 of this Act, which are secured by first mortgages or deeds of trust upon improved real property located in the United States or Canada, including leasehold estates, if the underlying real property is not subject to prior liens or encumbrances, and subject to the following requirements:

(a) The security for the loan must be a first lien upon such real property; and

(b) In the case of leasehold estates, there must not be any condition or right of re-entry or forfeiture not insured against under which the insurer is unable to continue the lease in force for the duration of the loan and the indebtedness must mature

within four-fifths of the term of the lease, including enforceable renewal options.

(2) The following shall not be considered as prior liens or encumbrances on real property within the meaning of this section:

(a) Leasehold estates of any duration.

(b) Reservations or exceptions of timber, coal, gas, oil and other mineral rights.

(c) Rights of way, servitudes, joint driveways, easements, party-wall agreements.

(d) Ground rents, taxes and assessments not yet delinquent.

(e) Restrictions or conditions as to building, use and occupancy if there is not a right of re-entry or forfeiture for violation, or if there is protection against any such right of re-entry or forfeiture through a policy of title insurance.

(f) Any lien or other interest in real property, if it is subordinate to the mortgage, lien or deed of trust.

(3) A mortgage shall nevertheless be deemed to be a first lien for the purposes of this section if, although junior in lien to a prior existing mortgage covering the same real property, the net amount actually advanced by the insurer under its mortgage plus the balance of principal and accrued interest then remaining unpaid under such prior mortgage does not exceed the amount which the insurer otherwise could have invested in such mortgage loan, and if the investing insurer administers the payments and other performance required under such prior mortgage.

(4) A mortgage loan or loans made or acquired by an insurer on any one property shall not at time of investment by the insurer, be in an amount in excess of 80 percent of the fair value of the property, or in the case of a leasehold estate, be in excess of 75 percent of the fair value of such leasehold estate, or permit amortization over a period exceeding four-fifths of the lease term (including enforceable renewal options) remaining at the time of the loan.

(5) In applying the limitations under subsection (4), there may be excluded from the amount invested that portion

guaranteed by the Administrator of Veterans' Affairs pursuant to the Servicemen's Readjustment Act of 1944, as amended, or insured by the Federal Housing Administration under the National Housing Act, as amended, or by other United States or Canadian governmental agencies.

(6) Nothing in subsection (4) shall be deemed to prohibit an insurer from renewing or extending a mortgage loan for the original or a less amount even though such amount is greater than the limits prescribed in subsection (4) as applied to the current fair value of the real property or leasehold estate subject to such mortgage.

(7) An insurer may invest in purchase money mortgages or other obligations received by it upon the sale or exchange of real property acquired pursuant to Section 21 of Subtitle 7 of this Act, and subsection (4) shall not apply to such investments.

(8) In connection with a mortgage loan on the security of real property, an insurer may loan or invest an amount not exceeding 20 percent of the amount loaned on or invested in such mortgage, on the security of a chattel mortgage or security agreement for a term of not more than five years representing a first and prior lien, except for taxes not then delinquent, on personal property constituting equipment owned by the mortgagor and kept and used in the mortgaged premises.

(9) An insurer may not invest or have invested under this section at any one time more than 75 percent of its assets.

Section 21. A new section of Subtitle 7 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) An insurer may invest in real estate only if used for the purposes or acquired in the manners, and within the limits, as follows:

(a) The building in which it has its principal office, the land upon which the building stands, and such other real estate as may be requisite for the insurer's convenient accommodation in the transaction of its business. An insurer, either life or other than life, may not have more than 10 percent of its assets so invested.

(b) Real estate acquired in satisfaction of loans, mort-

gages, liens, judgments, decrees or debts previously owing to the insurer.

(c) Real estate acquired in part payment of the consideration on the sale of other real estate owned by it, if such transaction shall have affected a net reduction in the insurer's investments in real estate.

(d) Real estate acquired by gift or devise, or through merger, consolidation or bulk reinsurance of another insurer.

(e) Additional real estate and equipment incident thereto, if necessary or convenient for the purpose of enhancing the sale or other value of real estate previously acquired or held under this section. Such real estate and equipment, together with the real estate for the enhancement of which it was acquired, shall be included, for the purpose of applicable investment limits, and shall be subject to disposal under Section 29 of Subtitle 7 of this Act at the same time and under the same conditions applicable to such enhanced real estate.

(f) Improved real estate, or any interest therein, acquired or held by purchase, lease, or otherwise, other than real estate to be used primarily for mining, development of oil or mineral resources, acquired as an investment for production of income, or acquired to be improved or developed for such investment purposes. The insurer may hold, mortgage, improve, develop, maintain, manage, lease, sell, convey, and otherwise dispose of real estate acquired by it under this subsection.

(2) For the purposes of Section 20 of Subtitle 7 of this Act and this section, "improved" real estate or real property means:

(a) Farmland used for tillage, crop or pasture;

(b) Real estate on which permanent improvements, or improvements under construction or in process of construction, suitable for residence, institutional, commercial or industrial use, are situated; and

(c) Real estate to be developed for the use or uses set forth in subsection (b).

(3) An insurer may not invest or have invested more than 15 percent of its assets as provided for in (1) (b), (c), (d), (e) and (f).

Section 22. A new section of Subtitle 7 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

To the extent and upon such conditions as may be authorized by the commissioner, an insurer may invest in stock or obligations of any housing company or redevelopment company, or of any corporation organized for the purpose of owning and operating any housing project under the laws expressly designed to promote housing for persons of low or moderate income, or in the securities of any corporation organized under the laws of this or any other state for the purpose of owning, acquiring or holding real property or any interest therein as an investment for the production of income, or to be developed or improved for such investment purpose, if all of the stock (other than directors' qualifying shares) of such housing company, redevelopment company, or corporation has been or is to be originally issued to one or more insurers, whether domestic or foreign.

Section 23. A new section of Subtitle 7 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) An insurer may invest in (a) real or personal property owned either directly or indirectly by the insurer, or (b) obligations which are secured by assignments of leases of real or personal property (or rentals payable thereunder), provided that such real or personal property referred to in (a) and (b) is leased to or the rentals payable thereunder are guaranteed by one or more institutions able to meet any one of the earnings tests provided by Section 8 of Subtitle 7 of this Act, a governmental authority whose obligations might be invested in accordance with Section 6 of Subtitle 7 of this Act, or any combination thereof.

(2) An insurer may not invest or have invested under this section and Section 13 of Subtitle 7 of this Act at any one time more than 25 percent of its assets.

Section 24. A new section of Subtitle 7 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

The amounts allocated to each separate account established by the insurer in connection with a pension, retirement or profit-sharing plan or annuity pursuant to Section 39 of Subtitle 15 of this Act together with accumlations thereon, may be invested

and reinvested in any class of investments which may be authorized in the written contract or agreement without regard to any requirements or limitations prescribed by this subtitle; except, that to the extent that the insurer's reserve liability with regards to (1) benefits guaranteed as to amount and duration, and (2) funds guaranteed as to principal amount or stated rate of interest, is maintained in any separate account, a portion of the assets of such separate account at least equal to such reserve liability shall be invested in accordance with the applicable provisions of this subtitle. The investments in such separate account or accounts shall not be taken into account in applying the investment limitations applicable to other investments of the insurer.

Section 25. A new section of Subtitle 7 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) A title insurer may also have invested funds in an amount not exceeding 50 percent of its paid-in capital stock and its surplus, in its abstract plant and equipment and in stocks of abstract companies.

(2) Investments authorized under subsection (1) shall not be credited against required reserves.

Section 26. A new section of Subtitle 7 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) An insurer authorized to transact insurance in a foreign country, or which has outstanding insurance, annuity or reinsurance contracts on lives or risks resident or located in a foreign country, may invest in or otherwise acquire or loan upon securities and investments in such foreign country which are substantially of the same kinds, classes and investment grades as those eligible for investment under other sections of this subtitle; but the aggregate amount of such investments in a foreign country and of cash in the currency of such country shall not, except as to Canadian investments otherwise authorized under this subtitle, exceed one and one-half times the amount of its reserves and other obligations under such contracts, or the amount which the insurer is required by law to invest in such country, whichever is the greater.

(2) In addition to the foreign investments otherwise per-

mitted under this subtitle, an insurer may invest in or otherwise acquire or loan upon securities and investments in foreign countries which are substantially of the same kinds, classes and investment grades as those otherwise eligible for investment under this subtitle; but the aggregate amount of such investments under this subsection shall not exceed 1 percent of the insurer's assets.

Section 27. A new section of Subtitle 7 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

An insurer may invest and have invested in loans other than loans to officers and directors prohibited under Section 34 of Subtitle 7 of this Act or in investments or excessive investments not qualifying or not permitted under this subtitle in aggregate amount not over 10 percent of its assets. Loans or investments held under this section shall not be subject to any percentage limitations set out in this subtitle.

Section 28. A new section of Subtitle 7 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

Nothing in this subtitle shall be deemed to prohibit an insurer from making an investment otherwise authorized under this subtitle, because the investment is convertible into other securities in which the insurer is not permitted to invest under this subtitle, or because the insurer receives in connection with such investment stock warrants, whether or not detachable, stock options, stock, property interests or other assets of any kind. Anything so received by the insurer and in which the insurer is otherwise not authorized to invest, shall be carried on its books at no value.

Section 29. A new section of Subtitle 7 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) Except as stated in subsection (2), or unless the insurer elects to hold the real estate as an investment under subsection (1) (f) of Section 21 of Subtitle 7 of this Act:

(a) An insurer shall dispose of real estate acquired under subsection (1) (a) of Section 21 of Subtitle 7 of this Act within five years after it has ceased to be necessary for the convenient accommodation of the insurer in the transaction of its business.

(b) An insurer shall dispose of real estate acquired under subsection (1) (b), (c), or (d) of Section 21 of Subtitle 7 of this Act within five years after the date of acquisition, unless used or to be used for the insurer's accommodation under subsection (1) (a) of Section 21 of Subtitle 7 of this Act.

(2) Upon proof satisfactory to him that the interest of the insurer will suffer materially by the forced sale thereof, the commissioner may by order grant a reasonable extension of the period, as specified in such order, within which the insurer shall dispose of any particular parcel of such real estate.

Section 30. A new section of Subtitle 7 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

Any personal property or securities lawfully acquired by an insurer which it could not otherwise have invested in or loaned its funds upon at the time of such acquisition, shall be disposed of within three years from date of acquisition unless within such period the personal property or securities have attained the standard of eligibility; except that any security or personal property acquired under any agreement of bulk reinsurance, merger, or consolidation, may be retained for a longer period if so provided in the plan for such reinsurance, merger, or consolidation as approved by the commissioner under Section 39 of Subtitle 24 of this Act or Section 42 of Subtitle 24 of this Act. Upon proof satisfactory to him that the interest of the insurer will suffer materially by the forced sale thereof, the commissioner may by order grant a reasonable extension of the period, as specified in such order, within which the insurer shall dispose of any particular parcel of such personal property or securities. This section shall have no application to assets held under Section 27 of Subtitle 7 of this Act.

Section 31. A new section of Subtitle 7 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

Any real estate, personal property, or securities lawfully acquired, and held by an insurer after expiration of the period for disposal thereof, or any extension of such period granted by the commissioner as provided in Sections 29 and 30 of Subtitle 7 of this Act, shall not be allowed as an asset of the insurer.

Section 32. A new section of Subtitle 7 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) An insurer may enter into an agreement for the purpose of protecting its interests in securities lawfully held by it, or for the purpose of reorganization of the corporation which issued or is obligated on account of such securities, and may deposit such securities with a committee appointed under such an agreement.

(2) An insurer may accept corporate stocks, bonds or other securities distributed pursuant to any such agreement or reorganization. Any securities so received which are otherwise ineligible as investments of the insurer shall be disposed of as provided in Section 30 of Subtitle 7 of this Act.

Section 33. A new section of Subtitle 7 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

The investments of a foreign or alien insurer shall be as permitted by the laws of its domicile if of a quality substantially equal to that required under this subtitle for domestic insurers.

Section 34. A new section of Subtitle 7 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

An insurer shall not invest in any note or other evidence of indebtedness of any director or officer of the insurer, except as to policy loans authorized under Section 18 of Subtitle 7 of this Act.

Section 35. A new section of Subtitle 7 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) All obligations having a fixed term, rate and face value held by an insurer authorized to do business in this state may, if amply secured and not in default either as to principal or interest, be valued as follows: if acquired at face value, at the face value; if acquired above or below face value, on the basis of the purchase price adjusted annually to bring the value to face value at maturity and so as to yield in each year the effective rate of interest at which the purchase was made. The amortization provided for in this subsection may be calculated with reasonable approximations. The commissioner shall have the

power to determine by rule the eligibility of investments for valuation under this subsection.

(2) (a) Securities, other than those referred to in subsection (1) held by an insurer shall be valued, in the discretion of the commissioner, at their fair market value, or at their appraised value, or at prices determined by the commissioner as representing their fair market value.

(b) Preferred or guaranteed stock or shares while paying full dividends may be carried at a fixed value in lieu of market value, at the discretion of the commissioner and in accordance with such method of computation as he may approve.

(c) Securities qualifying under Sections 12 and 27 of Subtitle 7 of this Act shall be valued at their fair value or net equity value, except that securities of a subsidiary insurance corporation as provided for in Section 12 of Subtitle 7 of this Act shall be valued at cost.

(3) (a) Real property acquired pursuant to a mortgage loan or contract for sale, in the absence of a recent appraisal deemed by the commissioner to be reliable, shall not be valued at an amount greater than the unpaid principal of the defaulted loan or contract at the date of such acquisition, together with any taxes and expenses paid or incurred in connection with such acquistion, and the cost of improvements thereafter made by the insurer and any amounts thereafter paid by the insurer on assessments levied for improvements in connection with the property.

(b) Other real property held by an insurer shall not be valued at an amount in excess of fair value as determined by recent appraisal deemed by the commissioner to be reliable. If valuation is based on an appraisal more than three years old, the commissioner may at his discretion call for and require a new appraisal in order to determine fair value.

(c) Personal property acquired pursuant to chattel mortgages or security agreements made in accordance with subsection (8) of Section 20 of Subtitle 7 of this Act shall not be valued at an amount greater than the unpaid principal of the defaulted loan at the date of such acquisition, together with any taxes and expenses paid or incurred in connection with such acquisition, or the fair value of such property, whichever amount is the lesser.

SUBTITLE 8

Section 1. A new section of Subtitle 8 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) All deposits of assets of insurers required or permitted under this code and made in this state shall be made and maintained with the Custodian of Insurance Securities of this state, hereinafter called "custodian."

(2) In addition to deposits required for an insurer's authority to transact insurance in this state, an insurer may deposit and maintain with the custodian deposit of assets:

(a) Required of an insurer by the laws of other states as prerequisite for authority to transact insurance in such other states.

(b) Required by application of the retaliatory provision, Section 27 of Subtitle 3 of this Act.

(c) In such additional amounts as is permitted by this subtitle, or as expressly required by this code.

Section 2. A new section of Subtitle 8 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) All such deposits shall be held by the custodian in trust for the benefit and protection of all of the insurer's policyholders and creditors in the United States.

(2) The deposit of a domestic insurer shall further be security for payment of taxes, assessments, forfeitures, fines, or other charges due and unpaid to this state or any other state in which the insurer has been authorized to transact insurance, and may be applied to such extent as may be necessary for such payment.

(3) Except, that deposits required pursuant to the retaliatory provision, Section 27 of Subtitle 3 of this Act, or required of a domestic insurer pursuant to the laws of another state, may be limited to such uses and purposes as is consistent with such provision or laws. But no such deposit so required of a domestic insurer shall be allowed in lieu of or as a credit upon any deposit required of such insurer under this subtitle if the purpose of such deposit so required by another state is materially inconsistent with the purpose stated in subsection (1).

Section 3. A new section of Subtitle 8 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

Kinds of assets may be deposited by an insurer as follows:

(1) Title to unencumbered real property lawfully acquired and held by the insurer under this code.

(2) Lawful money of the United States, and other securities of kinds in which the insurer may lawfully invest its funds under this code.

Section 4. A new section of Subtitle 8 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) The commissioner may accept the home office real property of a domestic insurer as a part of any deposit of assets required of the insurer under this code. For such purpose the insurer shall convey such real property by deed to the commissioner, and the deed shall be duly recorded and deposited with the custodian.

(2) Real property so deposited shall not be sold or further encumbered by the insurer except upon advance approval of the commissioner after full submission of the purposes and detail of any such sale or encumbrance to the commissioner. The commissioner shall join in the execution of any deed or other document required to consummate such sale or encumbrance. Upon any such sale or encumbrance the insurer shall deposit other assets in lieu of such real property.

(3) Such real property shall be valued at its fair value as determined by the commissioner.

Section 5. A new section of Subtitle 8 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) The insurer's policyholders and creditors in the United States, and this state and other states in which the insurer is authorized to transact insurance, shall have a first lien upon other real property, of which the evidence of the insurer's title is deposited by the insurer. The commissioner shall file proper notice of such lien with the county clerk of the county in which any such property is located.

(2) Such real property shall not be withdrawn, sold, or

further encumbered unless other eligible assets of equal or greater value are deposited by the insurer in lieu thereof. Upon any such withdrawal, sale, or encumbrance the commissioner shall execute a proper release of such property, which release shall be recorded in the office of such county clerk.

(3) For the purpose of determining the amount of deposit, such real property shall be valued at 60 percent of its fair value as determined by the commissioner.

Section 6. A new section of Subtitle 8 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) The Custodian of Insurance Securities shall be appointed by the Governor, in accordance with laws governing other executive appointments. He shall receive a monthly salary to be fixed by the Governor in accordance with the provisions of KRS 64.640, but to be paid out of custodial expense funds provided by insurers pursuant to Section 19 of Subtitle 8 of this Act.

(2) The custodian shall receive in his official capacity, all deposits made with him pursuant to this code.

(3) The custodian shall be available at all reasonable times in the branch office of the Department of Insurance, maintained in a city of the first class.

Section 7. A new section of Subtitle 8 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) The custodian shall keep, deposit, account for and surrender, faithfully and in the manner provided by law, all assets so received by him or in his official custody.

(2) The custodian shall give to the state a bond in the penal sum of $100,000 for the use and benefit of insurers making deposits their policyholders and creditors, and states secured by such deposits, conditioned upon proper discharge of his duties. The bond shall be one issued by an insurer authorized to transact such insurance in this state, and its form shall be subject to the approval of the Attorney General. Premiums on the bond shall be payable by this state out of custodial expense funds.

Section 8. A new section of Subtitle 8 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

The Commonwealth of Kentucky shall not be liable for the safe custody of any assets deposited by an insurer.

Section 9. A new section of Subtitle 8 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) The commissioner shall designate at least one but not more than five banks or trust companies in each county of this state containing a city of the first class and such other banks as proposed by the insurer and approved by the commissioner whose vaults shall be used as depositories for assets of insurers deposited under this code.

(2) Each insurer depositing assets shall, at its own expense, rent space therefor in the vaults of the banks or trust companies so designated.

Section 10. A new section of Subtitle 8 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

As to each insurer making or having a deposit the commissioner and custodian shall keep a complete record thereof showing:

(1) The particular assets so deposited.

(2) The face value, if any, of any such asset, and the value thereof as determined by the commissioner.

(3) Date of deposit, and place thereof.

(4) Assets withdrawn, date thereof, value of assets so withdrawn, and name and address of any person to whom such assets were delivered.

(5) Such other information as the commissioner deems necessary.

Section 11. A new section of Subtitle 8 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) The commissioner may at any time inventory assets on deposit as to any insurer. Upon request of the insurer the commissioner shall make such an inventory at the insurer's ex-

pense, and shall furnish the insurer a copy thereof. All inventories shall be made in the presence of the commissioner and two representatives of the insurer designated for the purpose by its board of directors.

(2) Upon request, the custodian shall give to any insurer depositing assets a certificate thereof describing the assets and setting forth their par value, if any, and their value, which valuation shall be subject to the approval of the commissioner.

Section 12. A new section of Subtitle 8 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) All assets deposited shall be valued by the commissioner when deposited, such valuation to be determined in accordance with the applicable provisions of this code.

(2) If at any time the commissioner finds that the value of assets on deposit by an insurer is less than the amount required for the purposes for which the deposit was made, he shall by registered mail addressed to the insurer at its home office, notify the insurer of such deficiency and require that the deficiency be cured within thirty days from the date of such mailing. The commissioner may suspend or revoke the certificate of authority of any insurer failing to cure any such deficiency within such thirty days.

Section 13. A new section of Subtitle 8 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

An insurer may deposit and maintain on deposit assets in value exceeding the amount otherwise required under this code, for the purpose of absorbing fluctuations in value of its required deposit, and to facilitate exchange and substitution of assets in such required deposit. During the solvency of the insurer any such excess deposit or any part thereof shall be released to the insurer upon its request. During the insolvency of the insurer such excess deposit shall be released only as provided in Section 17 of Subtitle 8 of this Act.

Section 14. A new section of Subtitle 8 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) While solvent and complying with this code an insurer shall be entitled:

(a) To collect and receive interest, dividends, and payments accruing upon assets so held on deposit for its account.

(b) From time to time, to exchange and substitute for any of such assets, other assets eligible for deposit.

(2) If the insurer fails to cure a deficiency when required, is insolvent, is subject to delinquency proceedings, or is in default as to taxes or other charges due to this state under law, the commissioner shall collect such interest, dividends, and payments and add them to the insurer's deposit.

Section 15. A new section of Subtitle 8 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) Except as provided in subsection (2), every domestic life insurer shall, within ninety days after the net cash value of each policy in force has been ascertained as required by law, deposit with the Custodian of Insurance Securities for the security and benefit of its policyholders, assets in an amount which, together with such sums as may be deposited by it with other states and governments by the requirements of their laws, shall be not less than the ascertained valuation of all policies in force less any sums that it has advanced from its legal reserve to its policyholders on the pledge to it of their policies and any accumulations thereon.

(2) If the legal reserve or the aggregate ascertained valuation of all policies in force in any domestic life insurer equals $20,000,000, no further deposit shall be required of the insurer so long as the leal reserve remains at or above $20,000,000, unless the insurer elects to represent on its policies or otherwise that the legal reserve or cash value of its policies thereafter written is on deposit with this state or one or more of its designated agencies, in which event the insurer shall deposit assets as above set out in an amount equal to the ascertained valuation of all of its policies in force at the time the representation is made.

Section 16. A new section of Subtitle 8 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) Except as provided in subsection (2), no judgment creditor or other claimant of an insurer shall have the right to levy upon any of the assets held in this state as a deposit for the

protection of the insurer's policyholders or policyholders and creditors.

(2) As to deposits made pursuant to the retaliatory provision, Section 27 of Subtitle 3 of this Act, levy thereupon shall be permitted if so provided in the commissioner's order under which the deposit is required.

Section 17. A new section of Subtitle 8 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) Any such required deposit shall be released, in addition to circumstances already provided for, in these instances only:

(a) Upon extinguishment of substantially all liabilities of the insurer for the security of which the deposit is held, by reinsurance contract or otherwise.

(b) If such deposit is no longer required under this code.

(c) If the deposit was made pursuant to the retaliatory provision, Section 27 of Subtitle 3 of this Act, it shall be released in whole or in part when no longer so required.

(d) Upon proper order of a court of competent jurisdiction the deposit shall be released to the receiver, conservator, rehabilitator, or liquidator of the insurer.

(2) No such release shall be made except on application to and written order of the commissioner made upon proof satisfactory to him of the existence of one of such grounds therefor. The custodian shall release the deposit upon such order of the commissioner. The commissioner shall not have any personal liability for any such release of any deposit or part thereof so ordered by him in good faith.

(3) All release of deposits or any part thereof shall be made to the person then entitled thereto upon proof of right satisfactory to the commissioner.

Section 18. A new section of Subtitle 8 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) Access shall not be had to the vaults wherein the assets are deposited, nor shall any such assets be removed therefrom, except upon the written order of at least two officers

authorized for the purpose by the insurer's board of directors or other governing body, which order must have been approved by the commissioner.

(2) The vaults wherein assets are deposited shall be opened and assets deposited or removed only in the joint presence of the custodian and two representatives of the insurer authorized for the purpose by the insurer's board of directors or other governing body.

(3) Except, that the vaults may be opened and assets deposited or removed under the direction and upon the order of a court of competent jurisdiction, and in the presence of the custodian.

Section 19. A new section of Subtitle 8 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) Insurers maintaining deposits of assets in this state under this subtitle, shall pay into the treasury of the Commonwealth, through the office of the Commissioner of Insurance, $15,000 each calendar year as a custodial expense fund. Such funds shall be used in paying the custodian's salary, premium on his bond and other necessary expenses incident to the office used by the custodian.

(2) The portion of such expense fund to be paid by each such insurer shall be in the same approximate proportion as the amount such insurer had on deposit on December 31 of the preceding year bears to the total such deposits of all insurers as of December 31 of the preceding year. The commissioner shall assess each insurer for its proportionate share of such expense fund. All assessments shall be deposited with the State Treasurer, who shall credit the amount so deposited to the Custodian of Securities fund to be used for the maintenance of the office of the Custodian of Securities. If any amount of the fund for the maintenance of the office of the custodian remains unexpended at the end of any fiscal year, that amount shall not lapse, but shall remain credited to the Custodian of Securities account and may be used during any succeeding year. The minimum charge for each insurer shall be $2.

SUBTITLE 9

Section 1. A new section of Subtitle 9 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

Sections 2 and 46 of Subtitle 9 of this Act, inclusive, shall relate to all insurers and kinds of insurance.

Section 2. A new section of Subtitle 9 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

An "agent" is an individual, firm or corporation appointed by an insurer to solicit applications for insurance or annuity contracts or to negotiate insurance or annuity contracts on its behalf, and if authorized to do so by the insurer, to effectuate and countersign insurance contracts.

Section 3. A new section of Subtitle 9 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) A "general lines" agent is an agent who transacts any one or more of the following kinds of insurance:

(a) Property insurance.

(b) Casualty insurance.

(c) Surety insurance.

(d) Marine and transportation insurance.

(e) Health insurance, when transacted for an insurer also represented by the same agent as to property or casualty insurance.

(f) Mortgage guaranty insurance.

(2) A "life" agent is an agent who transacts life insurance or annuity business, and includes also the transaction of health insurance on behalf of an insurer for whom the agent is also licensed as to life insurance.

(3) A "health" agent is an agent who transacts health insurance only, whether licensed by a life insurer or other than life insurer.

Section 4. A new section of Subtitle 9 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) A "consultant" is an individual, who as an independent contractor in relation to his client, for fee or compensation other

than from an insurer, in any manner advises or purports to advise, any person actually or prospectively insured, or named or to be named as beneficiary, or having or to have any interest in or insured under, an insurance contract or annuity contract, existing or proposed, relative to coverage, advisability, rights, or interests under such contract, or relative to the retention, exchange, surrender, exercise of rights thereunder. This subsection shall not apply as to:

(a) An attorney while licensed to practice and actively practicing law in this state; or

(b) An insurance actuary, and as such a member or associate of the Society of Actuaries or Academy of Actuaries.

(2) A "general lines consultant" is one licensed as a consultant as to any one or more of the following kinds of insurance:

(a) Casualty insurance.

(b) Property insurance.

(c) Surety insurance.

(d) Marine and transportation insurance.

(e) Title insurance.

(f) Health insurance.

(g) Mortgage guaranty insurance.

(3) A "life consultant" is one licensed as a consultant as to life insurance contracts, annuity contracts and health insurance contracts.

Section 5. A new section of Subtitle 9 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

A "solicitor" is an individual employed by an agent to solicit applications for insurance, other than life or health insurance, as a representative of such agent and shall not have power to bind any risk or insurance contract, or to countersign insurance contracts.

Section 6. A new section of Subtitle 9 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) A "service representative" is an individual employed on salary by an insurer or managing general agent to work with

agents in soliciting, negotiating and effectuating insurance in such insurer or the insurers represented by the managing general agent.

(2) Officers and salaried nonresident traveling representatives of a mutual insurer operating on the premium deposit plan, or of a reciprocal insurer, not using resident agents for the solicitation of business, who inspect risks or solicit insurance in this state and who receive no commissions thereon shall be deemed also to be service representatives.

(3) A service representative need not be licensed as an agent.

Section 7. A new section of Subtitle 9 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

An adjuster is any person, who for fee or compensation as an independent contractor investigates and settles, and reports to his principal relative to, claims arising under insurance contracts or annuity contracts, on behalf solely of either the insurer or the insured. The definition of adjuster shall not be deemed to include, and license as an adjuster shall not be required of:

(1) Attorneys at law admitted to practice in this state;

(2) Salaried employes of the insurer, or of an affiliated insurance company or of a managing general agent representing the insurer;

(3) Licensed resident agent of the insurer to whom claim authority has been granted by the insurer;

(4) Salaried traveling representatives of a mutual or reciprocal insurer.

Section 8. A new section of Subtitle 9 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) No person shall in this state be, act as, or hold himself out as an agent, solicitor, consultant, or adjuster (other than company staff adjusters) unless then licensed as an agent, solicitor, consultant, or adjuster respectively.

(2) No agent, or solicitor shall solicit or take applications for, procure or place for others any kind of insurance as to which

he is not then licensed. No consultant shall act as such with respect to any kind of insurance as to which he is not then licensed as a consultant.

(3) A consultant license must cover either or both of the following categories, as selected by the licensee:

(a) General lines.

(b) Life insurance, annuities and health insurance.

A consultant licensed in both categories shall qualify separately for, and be licensed in, each category, and shall not be licensed as an agent or solicitor.

(4) Except as provided in Section 41 of Subtitle 9 of this Act, no agent shall place any insurance with any insurer as to which he does not then hold a license and appointment as agent under this subtitle.

(5) The commissioner shall prescribe and furnish all forms required under this subtitle as to licenses and appointments.

Section 9. A new section of Subtitle 9 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

The definition of agent, solicitor or consultant shall not be deemed to include:

(1) Salaried employes in the office of a general lines agent, which employes devote full time to clerical and administrative services, with incidental taking of insurance applications and receiving premiums in the office of the employer agent if the employe does not receive any commissions on such applications and his compensation is not varied by the volume of applications or premiums taken or received by such employe.

(2) The supervising managing general agent or supervising officer or employe of an insurer who solicits only with duly licensed resident agents of the insurer.

(3) Newsboys and managers of newspaper distribution offices who incidentally take applications of so-called "newspaper accident insurance" and receive premiums in connection therewith.

(4) Employes or other representatives of a group policy-

holder engaged in enrolling certificate holders and performing other activities in the administration of the group policy.

Section 10. A new section of Subtitle 9 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) The purpose of a license issued under this subtitle to an agent, or solicitor is to authorize and enable the licensee actively and in good faith to engage in the business of insurance with respect to the general public, and to facilitate the public supervision of such activities in the public interest; and not for the purpose of enabling the licensee to receive a rebate of premium in the form of "commission" or other compensation upon his own interest or upon those of other persons with whom he is closely associated in capacities other than as an insurance agent, or solicitor.

(2) The commissioner shall not grant, renew, continue or permit to exist any license as agent, or solicitor as to any applicant therefor or licensee thereunder if he finds that the license has been or is being or will probably be used by the applicant or licensee principally for the purpose of writing "controlled business," that is:

(a) Insurance on his own interest or those of his family or of his employer; or

(b) Insurance or annuity contracts covering himself or members of his family, or the officers, directors, stockholders, partners, employes or debtors of a partnership, association, or corporation of which he or a member of his family is an officer, director, stockholders, partner, associate, or employe.

(3) Such a license shall be deemed to have been, or intended to be, used principally for the purpose of writing controlled business if the commissioner finds that during any twelve months' period the aggregate premiums accruing or to accrue from such controlled business have exceeded or probably will exceed the aggregate premiums accruing or to accrue on other business written or probably to be written by such applicant or licensee during the same period.

(4) This section shall not apply as to:

(a) Insurance of the interest of a motor vehicle sales or financing agent in a motor vehicle sold or financed by it.

(b) Insurance of the interest of real property mortgagee in the mortgaged property.

(c) Credit life insurance and credit health insurance.

Section 11. A new section of Subtitle 9 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

For the protection of the people of this state, the commissioner shall not issue, continue or permit to exist any agent or solicitor license except in compliance with this subtitle, or as to any individual not qualified therefor as follows:

(1) If for license as agent, must be eighteen years of age or more.

(2) Must fulfill the resident requirement of Section 12 of Subtitle 9 of this Act.

(3) If for an agent's license, must have been appointed as an agent by an authorized insurer, subject to issuance of the license.

(4) If for a solicitor's license, must be regularly employed by a licensed resident agent as a full-time employe, or be so employed subject to issuance of the license.

(5) Must be competent, trustworthy, financially responsible, and of good reputation.

(6) Must pass any written examination required for the license under this subtitle.

(7) Must intend in good faith to act as, and must act as and hold himself out to be, an agent or solicitor, in the active solicitation and negotiation of insurance with the general public, and not seek or use the license principally for the purpose of **writing controlled business, as defined in Section 10 of Subtitle 9 of this Act.**

Section 12. A new section of Subtitle 9 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) Each applicant for license as agent, who is an independent contractor agent compensated on a commission basis, and each applicant for license as a solicitor, must be a bona fide resident of this state at the date of application for the license, and must continue to be a resident of this state while so licensed.

(2) In determining the good faith of an applicant's claim to such residence, the commissioner may give due consideration to the following:

(a) The amount of time actually spent by the applicant within this state during the claimed residence period;

(b) The circumstances of such residence, that is, whether in a single or multiple family-type dwelling, or leased apartment, or permanent residential type; or in hotel, resort, motel, mobile home or other temporary or transient type of dwelling or accommodation;

(c) The circumstances of the applicant, his past history and activities, and the probability that he will continue as a resident of this state indefinitely into the future if the license were to be issued.

(d) All other pertinent factors.

(3) The requirements of subsection (1) shall not apply as to:

(a) One employed to manage the insurance agency of a deceased licensed resident agent;

(b) An applicant or agent residing in any part of a city located partly within this state, if the other state in which the city is located in part has established a like exception to any residency requirement;

(c) Life or health insurance agents;

(d) Agents who are employes of the insurer or an affiliate of the insurer.

(4) The commissioner shall license as life insurance agent any person, firm or corporation who is otherwise qualified therefor under this code, but who is not a resident of this state if by the laws of the state or province of the residence of such person, firm or corporation, residents of this state may be licensed in such state or province as nonresident life insurance agents and the commissioner may negotiate and enter into reciprocal arrangements with the insurance supervisory official of any other state or province under which the residence requirements of this subsection (4) will be waived in favor of residents of such other state or province if like privileges in such other state or province

are granted to residents of this state. As part of any such arrangement the commissioner shall be constituted as the attorney-in-fact of any such nonresident for acceptance of service of process in any action or proceeding in this state arising out of or related to the transactions of the licensee in this state, with the same effect as though served upon the licensee personally in this state, and any license to any such nonresident shall be subject to this condition.

(5) If, under the laws of any other state or province, greater restrictions regarding residents and personal qualifications are imposed upon the licensing of residents of this state as agents than those imposed upon the licensing of nonresidents of this state under the laws of this state, then the commissioner may, when he considers such action necessary for the protection of domestic insurers or resident agent, impose such greater restrictions upon the licensing of residents of such state or province.

Section 13. A new section of Subtitle 9 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) A firm or corporation may be licensed as an agent. If a firm, each general partner and each other individual to act for the firm under the license, and if a corporation each individual to act for the corporation under the license, shall be named in or registered with the commissioner as to the license, and shall qualify as though an individual licensee. The commissioner shall charge and the insurer or licensee shall pay a full additional license fee as to each respective individual in excess of one named in or registered as to such license.

(2) An individual who does not meet the residence requirements as provided in Section 12 of Subtitle 9 of this Act shall not be so named in or registered as to such a license and shall not have the right to exercise the license powers.

(3) A license shall not be issued to a firm or corporation unless it maintains a place of business in this state, and the transaction of business under the license is within the purposes stated in the firm's partnership agreement or the corporation's articles.

(4) The licensee shall promptly notify the commissioner

of all changes among its members, directors, officers and other individuals designated in or registered as to the license.

Section 14. A new section of Subtitle 9 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) Notwithstanding the provisions of Section 12 of Subtitle 9 of this Act, a nonresident of this state may be licensed as a life insurance agent upon compliance with the provisions of Section 11 of Subtitle 9 of this Act, except as to the residence requirement, if such person in good faith intends to transact and does transact in this state substantially all of his business as a life insurance agent.

(2) Nonresidents of this state other than those referred to in subsection (1), may be licensed as life insurance agents in this state without taking an examination if:

(a) A written examination is required of applicants for a life insurance agent's license in such other state.

(b) The appropriate official of such other state certifies that the applicant holds a currently valid license as a life insurance agent in such other state and either passed such written examination or was the holder of a life insurance agent's license prior to the time such written examination was required.

(c) In such other state, a resident of this state is privileged to procure a life insurance agent's license upon the foregoing conditions and without discrimination as to fees or otherwise in favor of the residents of such other state.

Section 15. A new section of Subtitle 9 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) Application for an agent, solicitor, or consultant license shall be made to the commissioner by the applicant, and be signed and sworn to by the applicant before a notary public or other person authorized by law to take acknowledgments of deeds.

(2) The form of application shall require full answers to such questions as may be reasonably necessary to determine the applicant's identity, residence, personal history, business record, financial responsibility, experience in insurance, purpose for which the license is to be used, and other facts as required by the commissioner to determine whether the applicant meets the applicable qualifications for the license applied for.

(3) If for an agent's or consultant's license the application shall state the kinds of insurance proposed to be transacted, and if an agent's, be accompanied by written appointment of the applicant as agent for such kinds of insurance, by an authorized insurer, subject to issuance of the license.

(4) If for solicitor's license, the application shall be accompanied by written appointment of the applicant as solicitor by a licensed resident general lines agent, subject to issuance of the license.

(5) If the applicant for an agent's license is a firm or corporation, the application shall show in addition, the names of all members, officers and directors, and shall designate each individual who is to exercise the license powers; and each such individual shall furnish information with respect to himself, as part of the application, as though for an individual license.

(6) If for license as agent, or solicitor, or consultant, the application shall also show whether the applicant was ever previously licensed to transact any kind of insurance in this state or elsewhere; whether any such license was ever refused, suspended, revoked or renewal or continuance denied, whether any insurer, general agent, agent, claims applicant to be indebted to it, and if so, the details thereof; whether applicant has ever had an agency contract cancelled, and the facts thereof; and, if applicant is a married woman, like information with respect to her husband.

(7) As part of such application for agent's or solicitor's license, the commissioner shall require the certificate of the insurer or agent, proposed to be represented, relative to applicant's identity, residence, experience or instruction as to the kinds of insurance to be transacted, trustworthiness and reputation.

(8) All such applications shall be accompanied by the applicable license fee, appointment fee, and examination fee, in the respective amounts stated in Section 1 of Subtitle 4 of this Act.

(9) No applicant for license under this Subtitle shall wilfully misrepresent or withhold any fact or information called for in the application form or in connection therewith.

Section 16. A new section of Subtitle 9 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) After completion and filing of application with the commissioner as required by Section 15 of Subtitle 9 of this Act, the commissioner shall subject each applicant for license as agent, or solicitor, unless exempted therefrom under Section 17 of Subtitle 9 of this Act, to a written examination as to his competence to act as such agent or solicitor, which he must personally take and pass to the satisfaction of the commissioner prior to having his application for a license considered by the commissioner.

(2) If the applicant is a firm or corporation the examination shall be so taken by each individual who is to be named in or registered as to the license, as provided in Section 13 of Subtitle 9 of this Act.

(3) Examination of an applicant for an agent's license shall cover all the kinds of insurance which the appointing insurer or insurers are authorized to transact in this state; except as to a limited license provided for under Section 23 of Subtitle 9 of this Act and except that an applicant to be licensed as to health insurance only or mortgage guaranty insurance only shall not be examined as to other kinds of insurance.

(4) Examination of an applicant for a solicitor's license shall cover all kinds of insurance, other than life or health insurance, as to which the appointing agent is licensed.

(5) Written application for the examination shall be filed with the commissioner by or on behalf of the applicant prior to the date fixed for the examination, as provided in Section 19 of Subtitle 9 of this Act, and shall be accompanied by the fee for such application as specified in Section 1 of Subtitle 4 of this Act.

Section 17. A new section of Subtitle 9 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

Section 16 of Subtitle 9 of this Act shall not apply and no such examination shall be required of:

(1) Any applicant for license covering the same kind or kinds of insurance as to which the applicant was licensed under a similar license in this state, other than a temporary license, within the twelve months next preceding date of application, un-

less such previous license was revoked, suspended, or continuation thereof refused by the commissioner.

(2) In the commissioner's discretion, any applicant who has been licensed under a similar license in another state within twelve months prior to his application for license in this state, and who files with the commissioner the certificate of the public official having supervision of insurance in such other state as to applicant's license and good conduct in such state.

(3) Persons representing public carriers who, in the course of such representation, solicit or sell insurance incidental to the transportation of persons or to the storage or transportation of property.

(4) Persons soliciting or negotiating credit life and credit health and accident insurance contracts.

(5) An applicant for an agent's license who is currently licensed as a solicitor or as a consultant as to the same kind or kinds of insurance, or has been so licensed within twelve months next preceding date of application for the license, unless such previous license was revoked or suspended or continuation thereof refused by the commissioner.

Section 18. A new section of Subtitle 9 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) Each examination for license as agent, consultant, or solicitor shall reasonably test the applicant's competence and his knowledge of the kinds of insurance, policies and transactions to be handled under the license applied for, of the duties and responsibilities of such a licensee, and of the pertinent insurance laws of this state.

(2) The commissioner shall make available to applicants for license, printed information as to the general scope of, and principal subjects to be covered by, the examination for a particular license, together with information as to published books and other reference sources which may be studied by the applicant to prepare for the examination; but the commissioner shall not furnish lists of examination questions and examination questions shall not be selected from lists thereof known to the commissioner to have been furnished applicants.

Section 19. A new section of Subtitle 9 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) The commissioner shall provide a reasonable opportunity to all applicants to take the examination required by Section 16 of Subtitle 9 of this Act. Examinations shall be held at least monthly at places in this state designated by the commissioner reasonably accessible to applicants, and at least weekly at Frankfort.

(2) All the kinds of insurance which the applicant proposes to transact under the license applied for shall be included in the same examination.

(3) The commissioner shall give, conduct and grade all examinations in a fair and impartial manner and without unfair discrimination as between individuals examined.

(4) The commissioner may require a reasonable waiting period before re-examination of an applicant who has failed to pass a previous examination covering the same kind or kinds of insurance.

Section 20. A new section of Subtitle 9 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) After completion of application for a license, and the taking and passing of any examination required under this subtitle, the commissioner shall promptly consider the same. If the commissioner finds that the applicant has fully met the requirements therefor, the commissioner shall promptly issue the license to the applicant; otherwise, the commissioner shall refuse to issue the license and promptly notify the applicant and the appointing insurer or agent of such refusal, stating the grounds thereof.

(2) If a license is refused, the commissioner shall promptly refund the appointment fee tendered with the license application. All other fees for application for agent, consultant, solicitor, or adjuster licenses shall be deemed earned when paid and shall not be refundable.

Section 21. A new section of Subtitle 9 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) The license shall state the name and address of the

licensee, date of issue, general conditions relative to expiration or termination, the kind or kinds of insurance covered by the license, if applicable, and such other conditions as the commissioner deems proper for inclusion in the license certificate. No license shall be issued in a trade name unless the name has been duly registered or filed as required by law.

(2) The license of an agent shall not specify the name of any particular insurer by which the licensee is appointed as agent, except as provided by subsection (5), as to limited licenses, and the licensee may, subject to Section 22 of Subtitle 9 of this Act as to life agents, represent as such agent under the one license as many insurers as may appoint him therefor in accordance with this subtitle.

(3) The license of a solicitor shall show the name and address of the employer agent.

(4) The license of a consultant shall show whether the license is for a "general lines consultant" or a "life consultant."

(5) Each limited license issued pursuant to Section 23 of Subtitle 9 of this Act shall show the name of the insurer so represented, and a separate license shall be required as to each such insurer.

Section 22. A new section of Subtitle 9 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) A life agent may concurrently be licensed as to as many life insurers as duly file appointments of the licensee with the commissioner and pay the appointment fee, except as provided in subsection (2).

(2) Any life insurer may file a request with the commissioner for notification that any life agent authorized to represent it has been appointed to represent another life insurer. Pursuant to such request for notice the commissioner shall notify such insurer of the appointment of life agents as life agents for other insurers.

Section 23. A new section of Subtitle 9 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) The commissioner may issue to an applicant qualified therefor under this code a limited agent's license as follows:

(a) Covering motor vehicle insurance only, if the licensee is not concurrently licensed as agent, or solicitor as to any other kind of insurance or class of insurance business.

(b) To persons representing common carriers, as provided in Section 17 of Subtitle 9 of this Act.

(c) Covering only insurance against loss or damage resulting from failure of debtors to pay their obligations to the insured.

(d) Covering only credit life and credit health insurance.

(e) Covering agents writing mortgage guaranty insurance only.

(2) The fee for licenses is as specified in Section 1 of Subtitle 4 of this Act.

Section 24. A new section of Subtitle 9 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) A licensed resident agent may solicit for and issue personal travel accident insurance policies by means of mechanical vending machines supervised by the agent and placed at airports and similar places of convenience to the traveling public, if the commissioner finds that:

(a) The policy provides reasonable coverage and benefits, is suitable for sale and issuance by vending machine, and that use of such a machine in a proposed location would be of material convenience to the public;

(b) The type of machine proposed to be used is reasonably suitable for the purpose;

(c) Reasonable means are provided for informing prospective purchasers of policy coverages and restrictions;

(d) Reasonable means are provided for the refund of money inserted in defective machines and for which insurance so paid for is not received; and

(e) The cost of maintaining such a machine at a particular location is reasonable in amount.

(2) For each machine to be used, the commissioner shall issue to the agent upon his application a special vending machine license. The license shall specify the name and address

of the insurer and agent, the name of the policy to be sold, the serial number and operating location of the machine. The license shall be subject to annual continuation, to expiration, suspension or revocation coincidentally with that of the agent. The commissioner shall also revoke the license of any machine as to which he finds that the license qualifications no longer exist. The license fee shall be the same as specified in Section 1 of Subtitle 4 of this Act, for an agent, for each license year or part thereof for each respective machine. Proof of the existence of a subsisting license shall be displayed on or about each machine in use, in such manner as the commissioner reasonably requires.

Section 25. A new section of Subtitle 9 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) Every license under this subtitle shall by virtue of such license have the right to transact business as authorized by the license throughout the Commonwealth of Kentucky.

(2) No such license, or registration under a firm or corporation license as provided by Section 13 of Subtitle 9 of this Act shall be assignable or transferrable to another.

Section 26. A new section of Subtitle 9 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) Each solicitor, consultant, adjuster, and surplus lines broker license issued under this code shall continue in force until expired, suspended, revoked or otherwise terminated, but subject to payment to the commissioner at his office in Frankfort annually on or before March 31 of the applicable continuation fee as stated in Section 1 of Subtitle 4 of this Act; accompanied by written request for such continuation. Request for continuation shall be made as follows:

(a) As to adjuster, and surplus lines broker licenses, request made and signed by the licensee.

(b) As to solicitor licenses, request made and signed by the employer as to whom licensed.

(c) As to limited licenses issued under Section 23 of Subtitle 9 of this Act, request made and signed by the insurer so represented.

(2) Any license referred to in subsection (1) as to which request for continuation and fee are not so received by the commissioner shall be deemed to have expired at midnight on such March 31; except that any such request received by the commissioner after such March 31 and prior to the next following May 1 may be accepted and effectuated by the commissioner, in his discretion, if accompanied by an annual continuation fee equal to one and one-half times the continuation fee otherwise required.

(3) The license of an agent shall continue in force as long as there is in effect as to such licensee, as shown by the commissioner's records, an appointment or appointments as agent of authorized insurers covering collectively all of the kinds of insurance or classifications thereof included in the agent's license. Upon termination of all of the licensee's agency appointments as to a particular kind of insurance or classification thereof and failure to replace such appointment within sixty days thereafter, the license shall thereupon expire and terminate as to such kind or classification of insurance and the licensee shall promptly deliver his license to the commissioner for reissuance, without fee or charge, as to the kinds of insurance or classifications thereof, if any, covered by the licensee's remaining agency appointments. Upon termination of all of the licensee's agency appointments the license shall forthwith terminate.

(4) As a condition to or in connection with the continuation of any agent, consultant, or solicitor license the commissioner may require the licensee to file with him information relative to use made of the license during the next preceding calendar year, and especially as to whether the license has been used principally for the writing of controlled business, as defined in Section 10 of Subtitle 9 of this Act.

(5) This section does not apply to temporary licenses issued under Section 30 of Subtitle 9 of this Act.

Section 27. A new section of Subtitle 9 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) Each insurer appointing an agent in this state shall file with the commissioner the appointment in writing, specifying the kinds of insurance or classifications thereof to be transacted

by the agent for the insurer, and pay the appointment fee, or license fee in the case of limited licenses, as specified in Section 1 of Subtitle 4 of this Act.

(2) Subject to annual continuation by the insurer as provided in subsection (3), each appointment shall remain in effect until the agent's license is revoked or otherwise terminated, unless the insurer earlier terminates the appointment as provided in Section 28 of Subtitle 9 of this Act.

(3) Annually on or before March 31 each insurer shall file with the commissioner an alphabetical list of the names and addresses of all its agents in this state whose appointments or licenses in the case of limited licenses, are to remain in effect as to the kinds of insurance or classifications thereof for which the respective agents are currently so appointed, accompanied by payment of the annual continuation of appointment fee, or license fee in the case of limited licenses, as specified in Section 1 of Subtitle 4 of this Act. At the same time, the insurer shall also file with the commissioner an alphabetical list of the names and addresses of all its agents whose appointments in this state are not to remain in effect, or whose appointment as to certain kinds or classifications of insurance are not to remain in effect as designated in such list. Any appointment or license not so continued and not otherwise expressly terminated shall be deemed to have expired at midnight on March 31.

Section 28. A new section of Subtitle 9 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) Subject to the agent's contract rights, if any, an insurer may terminate an agency appointment at any time. The insurer shall promptly give written notice of such termination and the effective date thereof to the commissioner and to the agent where reasonably possible. The list of appointments not being continued referred to in Section 27 of Subtitle 9 of this Act shall constitute such notice to the commissioner as to the terminations so listed. The commissioner may require of the insurer reasonable proof that the insurer has given such notice to the agent where reasonably possible.

(2) Accompanying the notice of termination given the commissioner the insurer shall file with him a statement of all

the facts constituting the cause, if any, for termination. Any information, document, record or statement so disclosed or furnished to the commissioner shall be deemed an absolutely privileged communication and shall not be admissable as evidence in any action or proceeding unless consented to in writing by the insurer.

(3) An agent terminating the employment as solicitor of a licensed solicitor shall give like notice of such termination to the commissioner, and like information as to the reasons for such termination, with like status as privileged communication unless such privilege is waived in writing by the agent.

Section 29. A new section of Subtitle 9 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

Following termination of an agency appointment of a general lines agent, and subject to the terms of any agreement between the agent and the insurer, the agent may continue to service, and receive from the insurer commissions or other compensation relative to, business written by him for the insurer during the existence of the appointment, so long as the agent continues to be licensed as to the kinds of insurance involved.

Section 30. A new section of Subtitle 9 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) The commissioner may issue a temporary license as agent to or with respect to an individual qualified therefor only as to age, residence and trustworthiness, and without requiring such individual to take an examination, in the following cases:

(a) To the surviving spouse or next of kin or to the administrator or executor, or the employe of such administrator or executor, of a licensed agent becoming deceased.

(b) To the spouse, next of kin, employe or legal guardian of a licensed agent disabled by sickness, injury, or insanity.

(c) To a member or employe of a firm, or officer or employe of a corporation, licensed as agent, upon the death or disability of an individual designated in or registered under the license to exercise the powers thereof.

(d) To the designee of a licensed agent entering upon active service in the armed forces of the United States,

(e) To any agent appointed by an insurer issuing policies on the debit plan, if such agent actually collects and services a debit. The insurer and agent may assume that such license will be issued, effective as of the date of application, and the agent may continue on such debit until notified to the contrary by the commissioner.

(f) To a fulltime life insurance agent appointed by the insurer under a training program filed with and approved by the commissioner.

(2) Application for a temporary license shall be filed with the commissioner in such form and containing such information as the commissioner may reasonably require, and be accompanied by the application fee as specified in Section 1 of Subtitle 4 of this Act.

(3) The temporary license shall be for a period of not over ninety days, subject to extension by the commissioner in his discretion for one additional period of not over ninety days; except, that license issued as to an executor or administrator under subsection (1)(a) may be continued without payment of additional fee until the executor or administrator has disposed of the insurance business, but for not to exceed a period of eighteen months. Temporary license issued to the spouse or next of kin under such subsection (1)(a) shall not be extended for an additional term after appointment and qualification of such an administrator or executor.

(4) The fee paid for the temporary license may be applied upon the fee required for any permanent license issued to the licensee upon or prior to expiration of the temporary license and covering the same kinds of insurance.

Section 31. A new section of Subtitle 9 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) The commissioner shall not issue more than one temporary license to or with respect to the same individual to be so licensed, within any twelve-month period.

(2) The temporary license may cover only the same kinds of insurance for which the agent thereby being replaced was licensed.

(3) The temporary licensee may represent under the license all insurers last represented by the replaced agent, and without the necessity of new appointments of the licensee; but the licensee shall not be appointed as to any additional insurer of additional kind of insurance under such a temporary license. This provision shall not be deemed to prohibit termination of its appointment by any insurer.

(4) A temporary license shall have the same license powers and duties as under a permanent license but shall not be obtained for the sole production of controlled business as defined in Section 10 of Subtitle 9 of this Act, and no sale of insurance of any kind shall be made upon the licensee's own life or the lives of any relative by blood or marriage.

Section 32. A new section of Subtitle 9 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

For the protection of the people of this Commonwealth the commissioner shall not issue, continue, or permit to exist any license as consultant except in compliance with this chapter, or as to any person not qualified therefor as follows:

(1) Must be an individual of twenty-five or more years of age;

(2) Must have had not less than five years of actual experience as a licensed agent with respect to the kinds of insurance and contracts to be covered by the license, or other special experience, education or training, all of sufficient content and duration reasonably necessary for competence in fulfilling the responsibilities of a consultant;

(3) Must have a thorough knowledge of insurance and annuity contracts of the kinds proposed to be covered under the license;

(4) Must satisfy the commissioner by written examination, or otherwise of his qualification for the license;

(5) Must be competent, trustworthy under highest fiduciary standards, financially responsible, and of good personal and business reputation; and

(6) Must have filed the bond required by Section 33 of Subtitle 9 of this Act.

Section 33. A new section of Subtitle 9 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) Every applicant for license as a consultant shall file with the commissioner with his application for license, and shall maintain in effect while so licensed, a bond issued by an authorized surety insurer in favor of the Commonwealth of Kentucky, continuous in form and providing for aggregate liability of $5,000.

(2) The bond shall indemnify any person damaged by any fraudulent or unlawful act or conduct of the licensee in transactions under the license, and shall likewise be conditioned upon faithful accounting and application of all moneys coming into the licensee's possession in connection with his activities as such licensee.

(3) The bond shall remain in force until released by the commissioner, or until cancelled by the surety. Without prejudice to any liability previously incurred thereunder, the surety may cancel the bond upon thirty days advance written notice to the licensee and the commissioner.

Section 34. A new section of Subtitle 9 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

A licensed consultant shall not at the same time be licensed as an agent and shall not have a pecuniary interest in any insurance agency.

Section 35. A new section of Subtitle 9 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) A consultant shall not, directly or indirectly, receive or share in any commission or compensation paid, directly or indirectly, by any insurer with respect to any insurance or annuity contract procured, renewed, continued, modified, terminated, or otherwise disposed of pursuant to any recommendation given or transaction engaged in by the licensee under his license.

(2) If the licensee has received or is to receive any fee, commission, or compensation from the insured or proposed insured, or from any other person other than the insurer, directly or indirectly, with respect to any insurance transaction or proposed insurance transaction, or with respect to any insurance or annuity contract existing or proposed, it shall conclusively be

presumed that the licensee was acting as a consultant with respect to such transaction or contract.

(3) In addition to any applicable suspension, revocation, or refusal to continue the licensee's license, violation of this section shall, upon conviction, be punishable by a fine of not over $5,000 or by imprisonment for not more than one year, or by both such fine and imprisonment.

Section 36. A new section of Subtitle 9 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

A consultant is obligated, under his license, to serve with objectivity and complete loyalty the interests of his client alone; and to render his client such information, counsel and service, as within the knowledge, understanding and opinion in good faith of the licensee, as will best serve the client's insurance or annuity needs and interests.

Section 37. A new section of Subtitle 9 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) Application for and acceptance of a license as a consultant by a nonresident of Kentucky shall thereby be deemed to constitute irrevocable appointment of the commissioner as the attorney of the licensee for the acceptance of service of process issued in this state in any action or proceeding against the licensee arising out of such licensing or out of transactions under the license.

(2) Duplicate copies of process shall be served upon the commissioner or other person in apparent charge of his office during his absence, accompanied by payment to the commissioner of $5.00 as a process fee. Upon receiving such service the commissioner shall promptly forward a copy thereof by registered or certified mail (with return receipt requested) to the nonresident licensee at his business address last of record with the commissioner.

(3) Process served upon the commissioner and copy thereof forwarded as in this section provided shall for all purposes constitute personal service thereof upon the licensee.

Section 38. A new section of Subtitle 9 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) A solicitor shall not concurrently be employed or licensed as to more than one agent.

(2) The solicitor's license shall cover all the kinds of insurance, other than life and health insurance, for which the employer agent is licensed; except, that the solicitor's license shall cover health insurance where written by a casualty, property, or surety insurer also represented by the agent as a general lines agent.

(3) A solicitor shall not concurrently be licensed as agent, except as to life or health insurance.

(4) A solicitor shall not have authority to bind risks or to countersign policies.

(5) The transactions of a solicitor under his license shall be in the name of the employer agent, and such agent shall be responsible for the acts or omissions of the solicitor within the scope of his employment.

(6) The solicitor shall maintain records of his transactions under the license as a part of the records of the agent.

(7) The solicitor's license shall remain in the custody of the employer agent. Upon termination of such employment as solicitor, the agent shall give written notice thereof to the commissioner, as provided in Section 28 of Subtitle 9 of this Act and deliver the license to the commissioner for cancellation.

Section 39. A new section of Subtitle 9 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) Every agent referred to in subsection (1) of Section 12 of Subtitle 9 of this Act shall have and maintain in this state a place of business accessible to the public, and wherein the licensee principally conducts transactions under his license. The address of such place shall appear upon the license, and the licensee shall promptly notify the commissioner in writing of any change thereof. Nothing in this section shall prohibit maintenance of such a place in the licensee's residence in this state.

(2) The licenses of the licensee, and those of solicitors

employed by him, shall be conspicuously displayed in such place of business in a part thereof customarily open to the public.

(3) The agent shall keep at his place of business complete records of transactions under his license and those of his solicitors. Such record shall show, as to each insurance policy or contract placed or countersigned by or through the licensee, the names of the insurer and insured, the number and expiration date of, and premium payable as to, the policy or contract, and such other information as the commissioner may reasonably require. The record shall be kept available for inspection by the commissioner, for a period of at least five years after completion of the respective transactions.

(4) This section shall not apply as to life and health insurance.

Section 40. A new section of Subtitle 9 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

That portion of all premiums or monies which an agent or solicitor collects from an insured and which is to be paid to an insurer, its agents or his principal because of the assumption of liability through the issuance of policies or contracts for insurance, shall be held by the agent or solicitor in a fiduciary capacity and shall not be misappropriated or converted to his own use or illegally withheld by the agent or solicitor.

Section 41. A new section of Subtitle 9 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) A general lines agent may, occasionally place an insurance coverage with an insurer as to which he is not then appointed as an agent, and such insurer may accept such business only when placed through a licensed resident agent, of the insurer. Both agents involved in such an exchange of business must be then licensed as to all of the kinds of insurance represented by the coverage.

(2) A life or health insurance agent may place with another insurer as to which he is not licensed as agent, a particular risk or portion thereof which has been rejected by the insurers as to which the agent is licensed or is known to the agent to be unacceptable to such insurers, and without then being licensed as to such other insurer.

Section 42. A new section of Subtitle 9 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

No agent or solicitor shall directly or indirectly share his commission or other compensation received or to be received on account of a transaction under his license which any person not also licensed as agent or solicitor under this subtitle as to the kinds of insurance involved in the transaction. This provision shall not affect personal use of such commissions or compensation, or payment of the regular salaries due employes of an agent, or distribution in regular course of business of compensation and profits among members or stockholders of licensee firms or corporations.

Section 43. A new section of Subtitle 9 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) No person shall in this state act as or hold himself out to be an adjuster unless then licensed therefor under this subtitle. Application for license shall be made to the commissioner according to forms as prescribed and furnished by him. The commissioner shall issue the license as to persons qualified therefor upon payment of the license application fee stated in Section 1 of Subtitle 4 of this Act.

(2) To be licensed as an adjuster the applicant must be qualified therefor as follows:

(a) Must, if an individual be eighteen years or more of age.

(b) Must be a resident of Kentucky, or resident of another state which will permit residents of Kentucky to act as adjusters in such other state.

(c) Must be a full-time salaried employe of a licensed adjuster or a graduate of a recognized law school, or must have had experience or special education or training as to the handling of loss claims under insurance contracts of sufficient duration and extent to make him reasonably competent to fulfill the responsibilities of an adjuster.

(d) Must be trustworthy and of good reputation.

(e) Must have and maintain in this state an office accessible to the public, and keep therein the usual and customary

records pertaining to transactions under the license. This provision shall not be deemed to prohibit maintenance of such office in the office of the employer or in the home of the licensee.

(3) A firm or corporation, whether or not organized under the laws of this state, may be licensed as an adjuster if each individual who is to exercise the license powers is named in the license or registered with the commissioner under the license, and is qualified as for an individual license as adjuster. An additional full license fee shall be paid as to each individual in excess of one, so named in the license or so registered to exercise its powers.

(4) Except, that no such adjuster's license or qualifications shall be required as to any adjuster who is sent into this state on behalf of an insurer for the purpose of investigating or making adjustment of a particular loss under an insurance policy, or for the adjustment of a series of losses resulting from a catastrophe common to all such losses.

Section 44. A new section of Subtitle 9 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) The commissioner may suspend or may impose conditions upon the continuance of a license for not more than twelve months, or may revoke or refuse to continue any license issued under this subtitle or any surplus lines broker license if, after notice to the licensee and to the insurer represented (as to an agent) or to the employer (as to a solicitor) and a hearing, the commissioner finds that as to the licensee any one or more of the following causes exist:

(a) Any cause for which issuance of the license could have been refused had it then existed and been known to the commissioner.

(b) Wilful violation of or noncompliance with any applicable provision of this code, or wilful violation of any lawful rule, regulation, or order of the commissioner.

(c) Obtaining or attempting to obtain any such license through misrepresentation or fraud.

(d) Misappropriation or conversion to his own use, or illegal withholding, of moneys belonging to policyholders, in-

surers, beneficiaries, or others and received in the conduct of business under the license.

(e) Wilful material misrepresentation of the terms of any actual or proposed insurance contract.

(f) Conviction, by final judgment, of a felony involving moral turpitude.

(g) In the conduct of his affairs under the license the licensee has used fraudulent, coercive, or dishonest practices, or has shown himself to be incompetent, untrustworthy, financially irresponsible, or a source of injury and loss to the public.

(2) The license of a firm or corporation may be suspended, revoked, or refused for any of such causes as relate to an individual designated in or registered as to the license to exercise its powers.

Section 45. A new section of Subtitle 9 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) Upon suspension or revocation of any such license the commissioner shall forthwith notify the licensee thereof either in person or by mail addressed to the licensee at his address last of record with the commissioner. Notice by mail shall be deemed effectuated when so mailed. The commissioner shall give like notice to the insurer represented by the agent, in the case of an agent's license, and to the employer in the case of a solicitor's license.

(2) Suspension or revocation of the license of an agent shall automatically suspend the licenses of all solicitors employed by him.

(3) The commissioner shall not again issue a license under this code to or as to any person whose license has been revoked, until after expiration of one year and thereafter not until such person again qualifies therefor in accordance with the applicable provisions of this code. A person whose license has been revoked twice shall not again be eligible for any license under this code.

(4) If the license of a firm or corporation is so suspended or revoked, no member of such firm, or officer or director of such corporation, shall be licensed or be designated in or as to any

license to exercise the powers thereof during the period of such suspension or revocation, unless the commissioner determines upon substantial evidence that such member, officer, or director was not personally at fault and did not acquiesce in the matter on account of which the license was suspended or revoked.

Section 46. A new section of Subtitle 9 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) All licenses issued under this code, although issued and delivered to the licensee or his employer, shall at all times be the property of the Commonwealth of Kentucky. Upon any expiration, termination, suspension, or revocation of the license, the licensee or other person having possession or custody of the license shall forthwith deliver it to the commissioner either by personal delivery or by mail.

(2) As to any license lost, stolen, or destroyed while in the possession of any such licensee or person, the commissioner may accept in lieu of return of the license, the affidavit of the licensee or other person responsible for or involved in the safekeeping of such license, concerning the facts of such loss, theft, or destruction.

SUBTITLE 10

Section 1. A new section of Subtitle 10 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

Sections 2 to 21, inclusive, of Subtitle 10 of this Act, constitute and may be cited as the "surplus line law."

Section 2. A new section of Subtitle 10 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

This surplus lines law shall not apply to reinsurance, or to the following insurances when so placed by licensed agents or surplus line brokers of this state:

(1) Ocean marine and foreign trade insurances.

(2) Insurance on subjects located, resident, or to be performed wholly outside of this state, or on vehicles or aircraft owned and principally garaged outside this state.

(3) Insurance on operations of railroads engaged in transportation in interstate commerce and their property used in such operations.

(4) Insurance of aircraft owned or operated by manufacturers of aircraft or of aircraft operated in commercial interstate flight or cargo of such aircraft or against liability other than workmen's compensation and employer's liability arising out of the ownership, maintenance or use of such aircraft.

Section 3. A new section of Subtitle 10 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) "Broker" as used in this subtitle means a surplus line broker duly licensed as such under this subtitle.

(2) To "export" means to place in an unauthorized insurer under this surplus line law insurance covering a subject of insurance resident, located or to be performed in Kentucky.

Section 4. A new section of Subtitle 10 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

If certain insurance coverages cannot be procured from authorized insurers such coverages hereinafter designated "surplus lines," may be procured from unauthorized insurers subject to the following conditions:

(1) The insurance must be procured through a licensed surplus line broker.

(2) The full amount of insurance required must not be procurable, after diligent effort has been made to do so, from among the insurers authorized to transact and actually writing that kind and class of insurance in this state, and the amount of insurance exported shall be only the excess over the amount procurable from authorized insurers.

(3) The insurance must not be so exported for the purpose of securing advantages either as to:

(a) A lower premium rate than would be accepted by an authorized insurer; or

(b) Terms of the insurance contract.

Section 5. A new section of Subtitle 10 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

At the time of effecting any such surplus line insurance the broker shall execute an affidavit in form prescribed or accepted by the commissioner setting forth facts from which it can be determined whether such insurance was eligible for export under Section 4 of Subtitle 10 of this Act. The broker shall file this affidavit with the commissioner within thirty days after the insurance was so effected.

Section 6. A new section of Subtitle 10 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) The commissioner may by order declare eligible for export generally and without compliance with the provisions of subsections (2) and (3) of Section 4 of Subtitle 10 of this Act, and Section 5 of Subtitle 10 of this Act, any class or classes of insurance coverage or risk for which he finds, after a hearing of which notice was given to each insurer authorized to transact such class or classes in this state, that there is not a reasonable or adequate market among authorized insurers either as to acceptance of the risk, contract terms or premium or premium rate. Any such order shall continue in effect during the existence of the conditions upon which predicated, but subject to earlier termination by the commissioner.

(2) The broker shall file with or as directed by the commissioner a memorandum as to each such coverage placed by him in an unauthorized insurer, in such form and content as the commissioner may reasonably require for the identification of the coverage and determination of the tax payable to the state relative thereto.

(3) The broker, or a licensed agent of the authorized insurer may also place with authorized insurers any insurance coverage made eligible for export generally under subsection (1), and without regard to rate or form filings which may otherwise be applicable as to the authorized insurer. As to coverages so placed in an authorized insurer the premium tax thereon shall be reported and paid by the insurer as required generally under KRS Ch. 136.

Section 7. A new section of Subtitle 10 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) A broker shall not knowingly place surplus line insurance with an insurer that is unsound financially, or that is ineligible under this section.

(2) The commissioner shall from time to time publish a list of all surplus lines insurers deemed by him to be eligible currently, and shall mail a copy of such list to each broker at his office last of record with the commissioner. This subsection shall not be deemed to cast upon the commissioner the duty of determining the actual financial condition or claims practices of any unauthorized insurer; and the status of eligibility, if granted by the commissioner, shall indicate only that the insurer appears to be sound financially and to have satisfactory claims practices and that the commissioner has no credible evidence to the contrary. While any such list is in effect the broker shall restrict to the insurers so listed all surplus line business placed by him.

Section 8. A new section of Subtitle 10 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) Upon placing a surplus line coverage, the broker shall promptly issue and deliver to the insured evidence of the insurance consisting either of the policy as issued by the insurer, or, if such policy is not then available, the surplus line broker's certificate. Such a certificate shall be executed by the broker and shall show the description and location of the subject of the insurance, coverage, conditions and term of the insurance, the premium and rate charged and taxes collected from the insured, and the name and address of the insured and insurer. If the direct risk is assumed by more than one insurer, the certificate shall state the name and address and proportion of the entire direct risk assumed by each such insurer.

(2) No broker shall issue any such certificate or any cover note or purport to insure or represent that insurance will be or has been granted by any unauthorized insurer, unless he has prior written authority from the insurer for the insurance or has received information from the insurer in the regular course of business that such insurance has been granted, or an insurance

policy providing the insurance actually has been issued by the insurer and delivered to the insured.

(3) If after the issuance and delivery of any such certificate there is any change as to the identity of the insurers, or the proportion of the direct risk assumed by an insurer as stated in the broker's original certificate, or in any other material respect as to the insurance evidenced by the certificate, the broker shall promptly issue and deliver to the insured a substitute certificate accurately showing the current status of the coverage and the insurers responsible thereunder.

(4) If a policy issued by the insurer is not available upon placement of the insurance and the broker has issued and delivered his certificate as hereinabove provided upon request therefor by the insurer the broker shall as soon as reasonably possible procure from the insurer its policy evidencing such insurance and deliver such policy to the insured in replacement of the broker's certificate theretofore issued.

(5) Any surplus line broker who knowingly or negligently issues a false certificate of insurance, or who fails promptly to notify the insured of any material change with respect to such insurance by delivery to the insured of a substitute certificate as provided in subsection (3), shall upon conviction be subject to the penalty provided by Subtitle 99 of this Act or to any greater applicable penalty otherwise provided by law.

Section 9. A new section of Subtitle 10 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

Every insurance contract procured and delivered as a surplus line coverage pursuant to this subtitle shall have stamped upon it, initialed by or bearing the name of the surplus line broker who procured it, the following:

"This contract is registered and delivered as a surplus line coverage under the insurance code of the State of Kentucky."

Section 10. A new section of Subtitle 10 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

Insurance contracts procured as surplus line coverage from unauthorized insurers in accordance with this subtitle shall be fully valid and enforceable as to all parties, and shall be given

recognition in all matters and respects to the same effect as like contracts issued by authorized insurers.

Section 11. A new section of Subtitle 10 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) As to a surplus line risk which has been assumed by an unauthorized insurer pursuant to this subtitle, and if the premium thereon has been received by the surplus line broker who placed such insurance, in all questions thereafter arising under the coverage as between the insurer and the insured the insurer shall be deemed to have received the premium due to it for such coverage; and the insurer shall be liable to the insured as to losses covered by such insurance and for unearned premiums which may become payable to the insured upon cancellation of such insurance whether or not in fact the broker is indebted to the insurer with respect to such insurance or for any other cause.

(2) Each unauthorized insurer assuming a surplus line risk under this subtitle shall be deemed thereby to have subjected itself to the terms of this section.

Section 12. A new section of Subtitle 10 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) Any person while licensed in this state as a resident general lines agent and who is deemed by the commissioner to be competent and trustworthy with respect to the handling of surplus lines, and while maintaining an office at a designated location in this state, may be licensed as a surplus line broker.

(2) Application for the license shall be made to the commissioner on forms as designated and furnished by the commissioner.

(3) The license fee shall be as specified in Section 1 of Subtitle 4 of this Act.

(4) The license and licensee shall be subject to the applicable provisions of Subtitle 9.

Section 13. A new section of Subtitle 10 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) The commissioner may suspend or revoke any surplus line broker's license:

(a) If the broker fails to file his annual statement or to remit the tax as required by this subtitle; or

(b) If the broker fails to maintain an office in this state, or to keep records, or to allow the commissioner to examine his records as required by this subtitle, or if he removes his records from the state; or

(c) If the broker knowingly or negligently places a surplus line coverage in an insurer that is in unsound financial condition in violation of Section 7 of Subtitle 10 of this Act; or

(d) For any other applicable cause for which a general lines agent's license may be suspended or revoked.

(2) The procedures provided by Subtitle 9 for suspension or revocation of licenses shall apply to suspension or revocation of a surplus line broker's license.

(3) Upon suspending or revoking the broker's surplus line license the commissioner shall also suspend or revoke all other licenses of or as to the same person under this code.

(4) No broker whose license has been suspended or revoked shall again be so licensed until any fines or delinquent taxes owing by him have been paid, or, in case of revocation until after expiration of one year from the date revocation became final.

Section 14. A new section of Subtitle 10 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

Prior to issuance of a license as a surplus line broker, the applicant shall file with the commissioner, and thereafter for as long as the license remains in effect shall keep in force, a bond in favor of the State of Kentucky in the penal sum of $2,000, with an authorized corporate surety approved by the commissioner, conditioned that he will conduct business under the license in accordance with the provisions of this subtitle and that he will promptly remit the taxes required by Section 18 of Subtitle 10 of this Act. The aggregate liability of the surety for any and all claims on any such bond shall in no event exceed the penal sum thereof. No such bond shall be terminated unless

not less than thirty days prior written notice thereof is given to the licensee and filed with the commissioner.

Section 15. A new section of Subtitle 10 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

A licensed surplus line broker may accept and place surplus line business for any insurance agent licensed in this state for the kind of insurance involved, and may compensate the agent therefor.

Section 16. A new section of Subtitle 10 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) Each broker shall keep in his office in this state a full and true record of each surplus line coverage procured by him, including a copy of each daily report, if any, a copy of each certificate of insurance issued by him, and such of the following items as may be applicable.

(a) Amount of the insurance;

(b) Gross premium charged;

(c) Return premium paid, if any;

(d) Rate of premium charged upon the several items of property;

(e) Effective date of the contract, and the terms thereof;

(f) Name and address of each insurer on the direct risk and the proportion of the entire risk assumed by such insurer if less than the entire risk;

(g) Name and address of the insured;

(h) Brief general description of the property or risk insured and where located or to be performed; and

(i) Other information as may be required by the commissioner.

(2) The record shall not be removed from this state and shall be open to examination by the commissioner at all times within five years after issuance of the coverage to which it relates.

Section 17. A new section of Subtitle 10 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) Each broker shall, on or before the first day of March of each year, file with the commissioner a verified statement of all surplus line insurance transacted by him during the preceding calendar year.

(2) The statement shall be on forms as prescribed and furnished by the commissioner and shall show:

(a) Gross amount of each kind of insurance transacted;

(b) Aggregate of gross premiums charged;

(c) Aggregate of returned premiums paid insureds;

(d) Aggregate of net premiums; and

(e) Additional information as required by the commissioner.

Section 18. A new section of Subtitle 10 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) On or before the first day of March of each year each broker shall remit to the State Treasurer through the commissioner a tax at the rate of 3 percent on the premiums, exclusive of sums collected to cover federal and state taxes and examination fees, on surplus line insurance subject to tax transacted by him with unauthorized insurers during the preceding calendar year as shown by his annual statement filed with the commissioner. When collected the tax shall be credited to the general fund.

(2) If a surplus line policy covers risks or exposures only partially in this state the tax so payable shall be computed upon the proportion of the premium which is properly allocable to the risks or exposures located in this state.

Section 19. A new section of Subtitle 10 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

If any broker fails to file his annual statement, or fails to remit the tax provided by Section 18 of Subtitle 10 of this Act, on or before the first day of March, and if in the commissioner's opinion such failure is without just cause he shall be liable for a

fine of $25 for each day of delinquency commencing with the first day of March. The tax may be collected by distraint, or the tax and fine may be recovered by an action instituted by the commissioner in any court of competent jurisdiction. Any fine collected by the commissioner shall be paid to the State Treasurer and credited to the general fund.

Section 20. A new section of Subtitle 10 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) An unauthorized insurer shall be sued, upon any cause of action arising in the state under any contract issued by it as a surplus line contract pursuant to this subtitle, in the circuit court of the county in which the cause of action arose.

(2) Service of legal process against the insurer may be made in any such action by service upon the commissioner as provided in Section 32 of Subtitle 3 of this Act. The commissioner shall forthwith mail a copy of the process served to the person designated by the insurer in the policy for the purpose, by prepaid registered or certified mail with return receipt requested. Process served upon the commissioner and copy thereof forwarded as provided in this section shall for all purposes, constitute personal service upon the insurer.

(3) An unauthorized insurer issuing such policy shall be deemed thereby to have authorized service of process against it in the manner and to the effect as provided in this section. Any such policy shall contain a provision stating the substance of this section, and designating the person to whom the commissioner shall mail process as provided in subsection (2).

Section 21. A new section of Subtitle 10 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

The commissioner shall make or may approve and adopt reasonable rules and regulations, consistent with this subtitle, for any and all of the following purposes:

(1) Effectuation of the surplus lines law; and

(2) Establishment of procedures through which determination is to be made as to the eligibility of particular proposed coverages for export.

SUBTITLE 11

Section 1. A new section of Subtitle 11 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

Sections 2 to 5 inclusive, of Subtitle 11 of this Act, constitute and may be cited as the "Kentucky Unauthorized Insurer's Law."

Section 2. A new section of Subtitle 11 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) Other than Section 5 of Subtitle 11 of this Act, the provision of Sections 2 to 5, inclusive, of Subtitle 11 of this Act, shall not apply to any insurance company or underwriter issuing contracts of insurance to industrial insureds, nor to any contract of insurance issued to any one or more industrial insureds. For the purpose of this section, an "industrial insured" is:

(a) An insured who procures the insurance of any risk or risks other than life and annuity contracts by use of the services of a full-time employe acting as an insurance manager or buyer or the services of a regularly and continuously retained qualified insurance consultant; and

(b) An insured whose aggregate annual premiums for insurance on all risks total at least $25,000; and

(c) An insured having at least twenty-five full-time employes.

(2) Sections 2 to 5, inclusive, of Subtitle 11 of this Act, shall not apply to any life insurance company organized and operated, without profit to any private shareholder or individual, exclusively for the purpose of aiding educational or scientific institutions organized and operated without profit to any private shareholder or individual by issuing insurance and annuity contracts directly from the home office of the company and without agents or representatives in this state only to or for the benefit of such institutions and to individuals engaged in the services of such institutions, nor to any policy or contract which it issues; but this exemption shall be conditioned upon any such company complying with the following requirements:

(a) Payment of an annual registration fee of $500;

(b) Filing a copy of any policy or contract issued to Kentucky residents with the commissioner;

(c) Filing a copy of its annual statement prepared pursuant to the laws of its state of domicile, as well as such other financial material as may be requested, with the commissioner, and

(d) Providing, in such form as may be acceptable to the commissioner, for the appointment of the commissioner as its true and lawful attorney upon whom may be served all lawful process in any action or proceeding against such company arising out of any policy or contract it has issued to, or which is currently held by, a Kentucky citizen and process so served against such company shall have the same force and validity as if served upon the company.

Section 3. A new section of Subtitle 11 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) It shall be unlawful for any company to enter into a contract of insurance as an insurer or to transact insurance business in this state, as set forth in subsection (2) without a certificate of authority from the commissioner; provided, that this subsection shall not apply to:

(a) The lawful transaction of surplus lines insurance.

(b) The lawful transaction of reinsurance by insurers.

(c) Transactions in this state involving a policy lawfully solicited, written, and delivered outside of this state covering only subjects of insurance not resident, located, or expressly to be performed in this state at the time of issuance, and which transactions are subsequent to the issuance of such policy.

(d) Transactions involving contracts of insurance independently procured through negotiations occurring entirely outside of this state which are reported and on which premium tax is paid.

(e) Attorneys acting in the ordinary relation of attorney and client in the adjustment of claims or losses.

(f) Transactions in this state involving group life and group health or blanket health insurance or group annuities where the master policy of such groups was lawfully issued and

delivered in a state in which the company was authorized to do an insurance business.

(g) Transactions in this state involving any policy of insurance issued prior to July 1, 1968.

(h) Insurance on vessels, craft or hulls, cargoes, marine builder's risk, marine protection and indemnity or other risk, including strikes and war risks commonly insured under ocean or wet marine forms of policy.

(2) Any of the following acts in this state effected by mail or otherwise is defined to be doing an insurance business in this state. The venue of an act committed by mail is at the point where the matter transmitted by mail is delivered and takes effect. Unless otherwise indicated, the term "insurer" as used in this section includes all corporations, associations, partnerships and individuals, engaged as principals in the business of insurance and also includes interinsurance exchanges and mutual benefit societies.

(a) The making of or proposing to make, as an insurer, an insurance contract.

(b) The making of or proposing to make, as guarantor or surety, any contract of guaranty or suretyship as a vocation and not merely incidental to any other legitimate business or activity of the guarantor or surety.

(c) The taking or receiving of any application for insurance.

(d) The receiving or collection of any premiums, commissions, membership fees, assessments, dues or other consideration for any insurance or any part thereof.

(e) The issuance or delivery of contracts of insurance to residents of this state or to persons authorized to do business in this state.

(f) Directly or indirectly acting as an agent for, or otherwise representing or aiding on behalf of another, any person or insurer in the solicitation, negotiation, procurement or effectuation of insurance or renewals thereof or in the dissemination of information as to coverage or rates, or forwarding of applications, or delivery of policies or contracts, or inspection of risks, or fixing of rates or investigation or adjustment of claims or losses,

or in the transaction of matters subsequent to effectuation of the contract and arising out of it, or in any other manner representing or assisting a person or insurer in the transaction of insurance with respect to subjects of insurance resident, located or to be performed in this state. The provisions of this subsection shall not operate to prohibit full-time salaried employes of a corporate insured from acting in the capacity of an insurance manager or buyer in placing insurance in behalf of such employer.

(g) The doing of any kind of insurance business specifically recognized as constituting the doing of an insurance business within the meaning of the statutes relating to insurance.

(h) The doing or proposing to do any insurance business in substance equivalent to any of the foregoing in a manner designed to evade the provisions of this code.

(i) Any other transactions of business in this state by an insurer.

(3) (a) The failure of a company transacting insurance business in Kentucky to obtain a certificate of authority shall not impair the validity of any act or contract of such company and shall not prevent such company from defending any action at law or suit in equity in any court of this state.

(b) In event of failure of any such unauthorized insurer to pay any claim or loss within the provisions of such insurance contract, any person who assisted or in any manner aided directly or indirectly in the procurement of such insurance contract shall be liable to the insured for the full amount of the claim or loss in the manner provided by the provisions of such insurance contract.

(4) Whenever the commissioner believes, from evidence satisfactory to him, that any company is violating or about to violate the provisions of these sections, the commissioner may, through the Attorney General of this state, cause a complaint to be filed in the Circuit Court of Franklin County to enjoin and restrain such company from continuing such violation or engaging therein or doing any act in furtherance thereof. The court shall have jurisdiction of the proceeding and shall have the power to make and enter an order or judgment awarding such preliminary or final injunctive relief as in its judgment is proper.

Section 4. A new section of Subtitle 11 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) No person or insurer shall directly or indirectly perform any of the acts of doing an insurance business as defined in Sections 2 to 5, inclusive, of Subtitle 11 of this Act, except as provided by and in accordance with the specific authorization by statute. However, should any unauthorized person or insurer perform any act of doing an insurance business as set forth in Sections 2 to 5, inclusive, of Subtitle 11 of this Act, it shall be equivalent to and shall constitute an irrevocable appointment by such person or insurer, binding upon him, his executor or administrator, or successor in interest if a corporation, of the commissioner or his successor in office to be the true and lawful attorney upon whom may be served all lawful process in any action, suit or proceeding in any court arising out of doing an insurance business in this state or instituted by or on behalf of an insured or beneficiary arising out of any such acts of doing an insurance business, except in an action, suit or proceeding by the commissioner or by the state. Any act of doing an insurance business by any unauthorized person or insurer shall be signification of its agreement that such service of process is of the same legal force and validity as personal service of process in this state upon such person or insurer.

(2) Service of process shall be made by delivering to and leaving with the commissioner or some person in apparent charge of his office two copies thereof and the payment to him of such fees as provided in Section 1 of Subtitle 4 of this Act. The commissioner shall forthwith forward by certified mail one of the copies of such process to the defendant at the last known principal place of business and shall keep a record of all process so served. Such service of process shall be sufficient to provide notice if:

(a) A copy of the process is sent within ten days thereafter by certified mail by the plaintiff or plaintiff's attorney to the defendant at the last known principal place of business.

(b) The defendant's receipt or receipt issued by the post office showing the name of the sender of the letter and the name and address of the person to whom the letter is addressed and an affidavit by the plaintiff or plaintiff's attorney showing a

compliance herewith are filed with the clerk of the court in which such action is pending on or before the date the defendant is required to appear or within such further time as the court may allow.

(3) Service of process in any such action, suit, or proceeding shall in addition to the manner as provided in Sections 2 to 5, inclusive, of Subtitle 11 of this Act, be valid if served upon any person within this state who, in this state on behalf of such insurer, is soliciting insurance, making, issuing, or delivering any contract of insurance, or collecting or receiving any premium, membership fee, assessment, or other consideration for insurance, and if:

(a) A copy of such process is sent within ten days thereafter by certified mail by the plaintiff or plaintiff's attorney to the defendant at the last known principal place of business of the defendant.

(b) The defendant's receipt, or the receipt issued by the post office showing the name of the sender of the letter and the name and address of the person to whom the letter is addressed, and an affidavit of the plaintiff or plaintiff's attorney showing a compliance herewith are filed with the clerk of the court in which such action is pending on or before the date the defendant is required to appear or within such further time as the court may allow.

(4) No plaintiff shall be entitled to a judgment by default under Sections 2 to 5, inclusive, of Subtitle 11 of this Act, until the expiration of thirty days from the date of the filing of the affidavit of compliance.

(5) Nothing in subsections (1) to (5), inclusive, shall limit or abridge the right to serve any process, notice, or demand upon any insurer in any other manner now or hereafter permitted by law.

(6) Any act of doing an insurance business as set forth in Sections 2 to 5, inclusive, of Subtitle 11 of this Act, by an unauthorized person or insurer is equivalent to and shall constitute an irrevocable appointment by such person and insurer, binding upon him, his executor or administrator, or successor in interest if a corporation, of the Secretary of State or his successor in

office to be the true and lawful attorney of such person or insurer upon whom may be served all legal process in any action, suit, or proceeding in any court by the commissioner or by the state and upon whom may be served any notice, order, pleading or process in any proceeding before the commissioner and which arises out of doing an insurance business in this state by such person or insurer. Any act of doing an insurance business in this state by any unauthorized person or insurer shall be signification of its agreement that any such legal process in such court action, suit, or proceeding and any such notice, order, pleading, or process in such administrative proceeding before the commissioner so served shall be of the same legal force and validity as personal service of process in this state upon such person or insurer.

(7) Service of process in such action shall be made by delivering to and leaving with the Secretary of State or some person in apparent charge of his office two copies thereof. Service upon the Secretary of State as such attorney shall be service upon the principal.

(8) The Secretary of State shall forthwith forward by certified mail one of the copies of such process or such notice, order, pleading, or process in proceedings before the commissioner to the defendant in such court proceeding or to whom the notice, order, pleading, or process in such administrative proceeding is addressed or directed at the last known principal place of business and shall keep a record of all process so served on him which shall show the day and hour of service. Such service is sufficient, provided:

(a) Notice of such service and a copy of the court process or the notice, order, pleading, or process in such administrative proceeding is sent within ten days thereafter by certified mail by the plaintiff or the plaintiff's attorney in the court proceeding or by the commissioner in the administrative proceeding to the defendant in the court proceeding or to whom the notice, order, pleading, or process in such administrative proceeding is addressed or directed at last known principal place of business of the defendant in the court or administrative proceeding.

(b) The defendant's receipt or receipts issued by the post office with which the letter is registered, showing the name of

the sender of the letter and the name and address of the person or insurer to whom the letter is addressed, and an affidavit of the plaintiff or the plaintiff's attorney in court proceedings or of the commissioner in administrative proceedings, showing compliance therewith are filed with the clerk of the court in which such action, suit, or proceeding is pending or with the commissioner in administrative proceedings, on or before the date the defendant in the court or administrative proceeding is required to appear or respond thereto, or within such further time as the court or commissioner may allow.

(9) No plaintiff shall be entitled to a judgment or a determination by default in any court or administrative proceeding in which court process or notice, order, pleading, or process in proceedings before the commissioner is served under subsections (6) to (11), inclusive, until the expiration of forty-five days from the date of filing of the affidavit of compliance.

(10) Nothing in subsections (6) to (11), inclusive, shall limit or abridge the right to serve any process, notice, order, or demand upon any person or insurer in any other manner now or hereafter permitted by law.

(11) The Attorney General upon request of the commissioner may proceed in the courts of this state or any other state or in any federal court or agency to enforce an order or decision in any court proceeding or in any administrative proceeding before the commissioner.

(12) Before any unauthorized person or insurer files or causes to be filed in any pleading in any court action, suit or proceeding or in any notice, order, pleading, or process in such administrative proceeding before the commissioner instituted against such person or insurer, by services made as provided in subsections (1) to (11), inclusive, such person or insurer shall either:

(a) Deposit with the clerk of the court in which such action, suit, or proceeding is pending, or with the commissioner in administrative proceedings before the commissioner, cash or securities, or file with such clerk or commissioner a bond with good and sufficient sureties, to be approved by the clerk or commissioner in an amount to be fixed by the court or commissioner

sufficient to secure the payment of any final judgment which may be rendered in such action or administrative proceeding.

(b) Procure a certificate of authority to transact the business of insurance in this state.

(13) The court in any action, suit, or proceeding in which service is made as provided in subsections (1) to (5), inclusive, or the commissioner in any administrative proceeding before the commissioner in which service is made as provided in subsections (6) to (11), inclusive, may in his or its discretion, order such postponement as may be necessary to afford the defendant reasonable opportunity to comply with the provisions of subsection (12) and to defend such action.

(14) Nothing in subsection (12) shall be construed to prevent an unauthorized person or foreign or alien insurer from filing a motion to quash a writ or to set aside service thereof made in the manner provided in subsections (1) to (11), inclusive, on the ground that such unauthorized person or insurer has not done any of the acts enumerated in subsections (1) to (3), inclusive, of Section 3 of Subtitle 11 of this Act.

(15) In an action against an unauthorized person or insurer upon a contract of insurance issued or delivered in this state to a resident thereof or to a corporation authorized to do business therein, if the person or insurer has failed for thirty days after demand prior to the commencement of the action to make payment in accordance with the terms of the contract, and it appears to the court that such refusal was without reasonable cause, the court may allow to the plaintiff a reasonable attorney fee and include such fee in any judgment that may be rendered in such action. Failure of the person or insurer to defend any such action shall be deemed prima facie evidence that its failure to make payment was without reasonable cause.

(16) Whenever the commissioner has reason to believe that insurance has been effectuated by or for any person in this state with an unauthorized insurer the commissioner shall in writing order such person to produce for examination all insurance contracts and other documents evidencing insurance with both authorized and unauthorized insurers and to disclose to the commissioner the amount of insurance, name and address of each insurer, gross amount of premium paid or to be paid and

the name and address of the person or persons assisting or aiding in the solicitation, negotiation, or effectuation of such insurance.

(17) Every person investigating or adjusting any loss or claim on a subject of insurance in this state shall immediately report to the commissioner every insurance policy or contract which has been entered into by an insurer not authorized to transact such insurance in this state.

(18) Every person who, for thirty days after receipt of written order pursuant to subsection (16), neglects to comply with the requirements of such order or who wilfully makes a disclosure that is untrue, deceptive, or misleading shall forfeit $50.

Section 5. A new section of Subtitle 11 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) Effective with all premiums collected during the calendar year 1968, except premiums on lawfully procured surplus lines insurance, every unauthorized insurer shall pay to the commissioner before March 1, next succeeding the calendar year in which the insurance was so effectuated, continued, or renewed, a premium tax of 2 percent of gross premiums charged for such insurance on subjects resident, located, or to be performed in this state. Such insurance whether procured through negotiation or an application, in whole or in part occurring or made within or outside of this state, or for which premiums in whole or in part are remitted directly or indirectly from within or outside of this state, shall be deemed to be insurance procured or continued in this state. The term "premium" includes all premiums, membership fees, assessments, dues, and any other consideration for insurance. If the tax prescribed by this section is not paid within the time stated, the tax shall be increased by a penalty of 25 percent and by the amount of an additional penalty computed at the rate of 1 percent per month or any part thereof from the date such payment was due to the date paid.

(2) If the policy covers risks or exposures only partly in the state, the tax payable shall be computed on the portions of the premium which are properly allocable to the risks or exposures located in the state. In determining the amount of premiums taxable in this state, all premiums written, procured, or

received in this state and all premiums on policies negotiated in this state shall be deemed written on property or risks located or resident in this state, except such premiums as are properly allocated or apportioned and reported as taxable premiums to any other state or states.

(3) Proration of premium taxes due from an industrial insured under a contract procured from an unauthorized insurer having property in states other than Kentucky, shall be determined by rules and regulations promulgated by the commissioner using the following criteria where applicable:

(a) Percentage of physical assets in Kentucky;

(b) Percentage of employe payroll in Kentucky;

(c) Percentage of sales in Kentucky; and

(d) Percentage of taxable income reportable in Kentucky.

(4) The Attorney General, upon request of the commissioner, shall proceed in the courts of this state or any other state or in any federal court or agency to recover such tax not paid within the time prescribed in this section.

SUBTITLE 12

Section 1. A new section of Subtitle 12 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

No person shall engage in this state in any practice which is prohibited in this subtitle, or which is defined therein as, or determined pursuant thereto to be, an unfair method of competition or any unfair or deceptive act or practice in the business of insurance.

Section 2. A new section of Subtitle 12 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

No person shall make or disseminate orally or in other manner any advertisement, information, matter, statement, or thing:

(1) Misrepresenting the terms of any policy or the benefits or advantages thereof or dividends or share of surplus to be received thereon, or setting forth false or misleading infor-

mation or estimates as to dividends or share of surplus previously paid on similar policies.

(2) Using any name or title of any policy or class of policies misrepresenting the true nature thereof.

(3) Setting forth any misleading representation or any misrepresentation as to the financial condition of an insurer, or as to the legal reserve system upon which any life insurer operates.

(4) Containing any assertion, representation, or statement with respect to the business of insurance or with respect to any person in the conduct of his insurance business, which is untrue, deceptive, or misleading.

Section 3. A new section of Subtitle 12 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

No person shall make or issue, or cause to be made or issued, any written or oral statement misrepresenting or making incomplete comparisons as to the terms, conditions, or benefits contained in any policy for the purpose of inducing or attempting or tending to induce the policyholder to lapse, forfeit, borrow against, surrender, retain, exchange, modify, convert, or otherwise affect or dispose of any insurance policy.

Section 4. A new section of Subtitle 12 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) No person shall file with any public official or make or disseminate any false statement of financial condition of any insurer with intent to deceive.

(2) No person shall make any false entry in any record, report or statement of any insurer or other person required to have records under this code, with intent to deceive the commissioner or any examiner lawfully appointed to examine into its affairs, or with like intent wilfully omit to make a true entry of any material fact pertaining to its business.

Section 5. A new section of Subtitle 12 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

Any advertisement or other dissemination of information by or on behalf of an insurer stating the insurer's assets shall in the

same connection and with equal conspicuousness, state the insurer's liabilities, computed on the basis allowed for its annual statements. Any such statement purporting to show the insurer's capital shall state only the amount of actual paid-in capital.

Section 6. A new section of Subtitle 12 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

No person shall make, publish, disseminate or circulate directly or indirectly, or aid, abet or encourage the making, publishing, disseminating or circulating of any oral or written statement or any pamphlet, circular, article or literature which is false, or maliciously critical of or derogatory to the financial condition of an insurer, or of an organization proposing to become an insurer, and which is calculated to injure any person engaged or proposing to engage in the business of insurance.

Section 7. A new section of Subtitle 12 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

No person shall enter into any agreement to commit, or by any concerted action commit, any act of boycott, coercion or intimidation resulting in or tending to result in unreasonable restraint of, or monopoly in, the business of insurance.

Section 8. A new section of Subtitle 12 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) No insurer, other than a life insurer or health insurer, shall make or permit any unfair discrimination in favor of particular persons, or between insureds or subjects of insurance having substantially like insuring risk, and exposure factors, or expense elements, in the terms or conditions of any insurance contract, or in the rate or amount of premium charged therefor. This subsection shall not apply as to any premium or premium rate in effect pursuant to Subtitle 13.

(2) No insurer shall make or permit any unfair discrimination between individuals of the same class and equal expectation of life in the rates charged for any contract of life insurance or of life annuity or in the dividends or other benefits payable thereon, or in any other of the terms and conditions of such contract, except that in determining the class, consideration may be given to the nature of the risk, plan of insurance, the actual

or expected expense of conducting the business or any other relevant factor.

(3) No insurer shall make or permit any unfair discrimination between individuals of the same class involving essentially the same hazards in the amount of premium, policy fees, or rates charged for any policy or contract of health insurance or in the benefits payable thereunder, or in any of the terms or conditions of such contract, or in any other manner whatsoever, except that in determining the class, consideration may be given to the nature of the risk, plan of insurance, the actual or expected expense of conducting the business or any other relevant factor.

Section 9. A new section of Subtitle 12 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) No insurer or employe or representative thereof shall knowingly charge, demand, or receive a premium for any insurance policy except in accordance with the applicable filing on file with the commissioner. No such insurer, employe, or representative shall pay, allow, or give, or offer to pay, allow, or give, directly or indirectly, as an inducement to insurance or after insurance has been effected, any rebate, discount, abatement, credit or reduction of the premium named in a policy, or any special favor or advantage in the dividends or other benefits to accrue thereon, or any valuable consideration or inducements whatever, or give, sell, or purchase, or offer to give, sell, or purchase anything of value whatsoever not specified in the policy, except to the extent provided for in such applicable filing.

(2) No insured named in a policy, nor any employe or representative thereof shall knowingly receive or accept, directly or indirectly, any such rebate, discount, abatement or reduction of premium, or any special favor or advantage or valuable consideration or inducement.

(3) Subsections (1) and (2) shall not apply as to life insurance and health insurance. Except as expressly provided by law no insurer, employe, or representative shall knowingly permit or offer to make or make any contract of life insurance, life annuity or health insurance, or agreement as to such contract

other than as plainly expressed in the contract issued thereon, or pay or allow, or give or offer to pay, allow or give, directly or indirectly, as inducement to such insurance, or annuity, any rebate of premiums payable on the contract, or any special favor or advantage in the dividends or other benefits thereon, or any valuable consideration or inducement whatever not expressed in the contract.

Section 10. A new section of Subtitle 12 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

Nothing in Sections 8 and 9 of Subtitle 12 of this Act shall be construed as prohibiting:

(1) Payment of lawfully earned commission or other lawful compensation to duly licensed agents, surplus lines brokers, and solicitors.

(2) Distribution by a participating insurer to its participating policyholders of dividends, savings, or the unused or unabsorbed portion of premiums and premium deposits.

(3) Furnishing of information, advice or services for the purpose of reducing the loss or liability to loss under a policy.

(4) Life insurers from paying bonuses to policyholders or otherwise abating their premiums in whole or in part out of surplus accumulated from nonparticipating insurance, if such bonuses or abatement is fair and equitable to all policyholders and for the best interests of the insurer and its policyholders.

(5) In case of insurance policies issued on the debit plan, making allowance to policyholders who have continuously for a specified period made premium payments directly to an office of the insurer in an amount which fairly represents the saving in collection expense or making allowance to policyholders who make premium payments at less frequent intervals than required.

(6) Readjustment of the rate of premium for a group insurance policy based on the loss or expense experience thereunder, at the end of any policy year of insurance thereunder, which may be made retroactive only for such policy year.

Section 11. A new section of Subtitle 12 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

No insurer, agent, surplus lines broker, solicitor, or other person shall, as an inducement to insurance, or in connection with any insurance transaction, provide in any policy for, or offer, sell, buy, or offer or promise to buy, sell, give, promise, or allow to the insured or prospective insured or to any other person on his behalf in any manner whatsoever:

(1) Any employment.

(2) Any shares of stock or other securities issued or at any time to be issued or any interest therein or rights thereto.

(3) Any advisory board contract, or any similar contract, agreement or understanding, offering, providing for, or promising any profits or special returns or special dividends.

(4) Any prizes, goods, wares, merchandise, or property of an aggregate value in excess of $1.

Section 12. A new section of Subtitle 12 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) If, after a hearing thereon of which notice of such hearing and of the charges against him were given such person, the commissioner finds that any person in this state has engaged or is engaging in any act or practice defined in or prohibited under this subtitle, the commissioner shall order such person to desist from such acts or practices.

(2) Such desist order shall become final upon expiration of the time allowed for appeals from the commissioner's orders, if no such appeal is taken, or, in event of such an appeal, upon final decision of the court if the court affirms the commissioner's order or dismisses the appeal. An intervenor in such hearing shall have the right to appeal as provided in subsection (3) of Section 13 of Subtitle 12 of this Act.

(3) In event of such an appeal, to the extent that the commissioner's order is affirmed, the court shall issue its own order commanding obedience to the terms of the commissioner's order.

(4) No order of the commissioner pursuant to this section

or order of court to enforce it shall in any way relieve or absolve any person affected by such order from any other liability, penalty, or forfeiture under law.

Section 13. A new section of Subtitle 12 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) If the commissioner believes that any person engaged in the insurance business is engaging in this state in any method of competition or in any act or practice in the conduct of such business which is not defined in this subtitle but that such method of competition is unfair, deceptive, or not in the public interest, or that such act or practice is unfair or deceptive and that a proceeding by him in respect thereto would be in the public interest, he shall, after a hearing of which notice of the hearing and of the charge against him are given such person, make a written report of his findings of fact relative to such charges and serve a copy thereof upon such person and any intervenor at the hearing.

(2) If such report charges a violation of this subtitle and if such method of competition, act or practice has not been discontinued, the commissioner may, or through the Attorney General, at any time after the service of such report, cause an action to be instituted to enjoin and restrain such person from engaging in such method, act, or practice. In such action the court may grant a restraining order or injunction upon such terms as may be just; but the people of this Commonwealth shall not be required to give security before the issuance of any such order or injunction. If a stenographic record of the proceedings in the hearing before the commissioner was made, a certified transcript thereof including all evidence taken and the report and findings shall be received in evidence in such action.

(3) If the commissioner's report made pursuant to subsection (1) of this section or order on hearing made pursuant to Section 12 of Subtitle 12 of this Act does not charge a violation of this subtitle, then any intervenor in the proceedings may appeal therefrom within the time and in the manner provided in this code for appeals from the commissioner generally.

Section 14. A new section of Subtitle 12 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) No person engaged in the business of financing the purchase of real or personal property or of lending money on the security of real or personal property shall require, as a condition to such financing or lending, or as a condition to the renewal or extension of any such loan or to the performance of any other act in connection with such financing or lending, that the purchaser or borrower, or his successors, shall negotiate through a particular insurer or insurers, insurance agent or agents, type of insurer or types of insurers, any policy of insurance or renewal thereof insuring such property or the life or health of the borrower.

(2) This section shall not prevent the reasonable exercise by any such vendor or lender of his right to approve or disapprove the insurer selected to underwrite the insurance, and to determine the adequacy of the insurance offered.

(3) Any person violating this section shall be punished by a fine of not more than $100 or by imprisonment of not more than sixty days, or by both; and if he holds a license from the commissioner, he shall forfeit the same. The Circuit Court of Franklin County, on complaint by any person that this section is being violated, may issue an injunction against such violation and may hold in contempt and punish therefor in case of disregard of such injunction.

Section 15. A new section of Subtitle 12 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

Every debtor, borrower or purchaser of property with respect to which insurance of any kind is required in connection with a debt or loan by such property shall be informed by the creditor or lender of his right of free choice in the selection of the agent and insurer through or by which such insurance is to be placed. There shall be no interference either directly or indirectly with such borrower's, debtor's or purchaser's free choice of an agent and of an insurer, and the creditor or lender shall not refuse an adequate policy so tendered by the borrower, debtor or purchaser. Upon notice of any refusal of such tendered policy, the commissioner shall order the creditor or lender to accept the tendered policy, if he determines that such refusal is not in accordance with the requirements set out in subsection (2) of Section 14 of Subtitle 12 of this Act. Failure to comply

with such an order of the commissioner shall be deemed a violation of this section.

Section 16. A new section of Subtitle 12 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

No person who makes a loan on real or personal property shall in connection with such a transaction make any separate charge or require a fee or payment of any money for the substitution by a borrower or a mortgagor or a purchaser of one insurance policy on the property for an existing policy on the property when the existing or substituted policy is provided through an insurer or insurance agent licensed to do business in the state.

Section 17. A new section of Subtitle 12 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

Whenever the instrument requires that the purchaser, mortgagor or borrower furnish insurance of any kind on real or personal property being conveyed or as collateral security to a loan, the mortgagee or lender shall refrain from disclosing or using any and all such insurance information to his or its own advantage and to the detriment of either the borrower, purchaser, mortgagor, insurer or company or agency complying with the requirements relating to insurance.

Section 18. A new section of Subtitle 12 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) Any insurer may retain, invest in or acquire the whole or any part of the capital stock of any other insurer or insurers, or have a common management with any other insurer or insurers, unless such retention, investment, acquisition or common management is inconsistent with any other provision of this code, or unless by reason thereof the business of such insurers with the public is conducted in a manner which substantially lessens competition generally in the insurance business or tends to create any monopoly therein.

(2) Any person otherwise qualified may be a director of two or more insurers which are competitors, unless the effect thereof is to lessen substantially competition between insurers generally or tends materially to create any monopoly.

Section 19. A new section of Subtitle 12 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) No person shall wilfully collect any sum as premium or charge for insurance, which insurance is not then provided or is not in due course to be provided (subject to acceptance of the risk by the insurer) by an insurance policy issued by an insurer as authorized by this code.

(2) No person shall wilfully collect as premium or charge for insurance any sum in excess of the amount actually expended or in due course is to be expended for insurance applicable to the subject on account of which the premium was collected or charged.

(3) No person shall wilfully or knowingly fail to return to the person entitled thereto within a reasonable time any sum collected as premium or charge for insurance in excess of the amount actually expended for insurance, or for medical examination in the case of life insurance, applicable to the subject on account of which the premium or charge was collected.

(4) Each violation of this section shall be punishable as provided in Subtitle 99.

Section 20. A new section of Subtitle 12 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

No person who is not an insurer shall assume or use any name which deceptively infers or suggests that it is an insurer.

Section 21. A new section of Subtitle 12 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) No insurer or any person on behalf of any insurer shall make, offer to make, or permit any preference or distinction in property, marine, casualty or surety insurance as to form of policy, certificate, premium rate, benefits, preferred distribution of profits or dividends, or conditions of insurance, on a group basis, based upon membership, non-membership, employment, or of any person or persons by or in any particular group, association, corporation, or organization, or employes of any particular employer, and shall not make the foregoing preference or distinction available in any event based upon any fictitious grouping of persons as defined in this code, such fictitious grouping

being hereby defined and declared to be any grouping by way of membership, non-membership, license, franchise, employment, contract agreement or any other method of means, except, where under common majority ownership and the same direct operating management.

(2) The restrictions and limitations of this section shall not extend or apply to life, health, accident or disability insurance, or where those grouped are engaged in a joint venture or a common construction or demolition project.

(3) Nothing in this section shall apply to any company which confines its direct insurance business to this state and to the providing of insurance for the benefit of its members, or members of its parent or sponsoring organization, providing such company was in existence and confining its insurance business and operations in such manner prior to January 1, 1968.

SUBTITLE 13

Section 1. A new section of Subtitle 13 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

The purpose of this subtitle is to promote the public welfare by regulating insurance rates (in accordance with the intent of Congress as expressed in Public Law 15 – 79th Congress) and to the end that they shall not be excessive, inadequate or unfairly discriminatory, and to authorize and regulate cooperative action among insurers in rate making and in other matters within the scope of this subtitle. Nothing in this subtitle is intended (1) to prohibit or discourage reasonable competition, or (2) to prohibit, or encourage except to the extent necessary to accomplish the aforementioned purpose, uniformity in insurance rates, rating systems, rating plans or practices. This subtitle shall be liberally interpreted to carry into effect the provisions of this section.

Section 2. A new section of Subtitle 13 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) The provisions of this subtitle apply to property, casualty, mortgage guaranty and surety insurance (as defined in this code) of subjects of insurance resident, located or to be performed in this state, except as provided in subsection (2).

(2) This subtitle does not apply to:

(a) Reinsurance, except joint reinsurance as provided in Section 25 of this subtitle.

(b) Health insurance.

(c) Insurance of vessels or craft, their cargoes, marine builders risks, marine protection and indemnity, or other risks commonly insured under marine, as distinguished from inland marine insurance contracts.

(d) Insurance of hulls of aircraft, including their accessories and equipment, or against liability, other than Workmen's Compensation and employer's liability, arising out of the ownership, maintenance or use of aircraft.

(e) Life insurance.

(f) Title insurance.

(g) Assessment or cooperative companies operating under the provisions of KRS Ch. 299.

(3) This subtitle shall apply to all insurers which, under any provisions of the laws of this state, write any of the kinds of insurance to which this subtitle applies, unless specifically exempted in this subtitle.

Section 3. A new section of Subtitle 13 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) Rates shall be made in accordance with the following provisions:

(a) Manual, minimum, class rates, rating schedules or rating plans, shall be made and adopted, except in the case of specific inland marine rates on risks specially rated;

(b) Rates shall not be excessive, inadequate or unfairly discriminatory;

(c) Due consideration shall be given:

1. To past and prospective loss experience within and outside this state;

2. To the conflagration and catastrophe hazards;

3. To a reasonable margin for underwriting profit and contingencies;

4. To dividends, savings or unabsorbed premium deposits allowed or returned by insurers to their policyholders, members or subscribers;

5. To past and prospective expenses both country-wide and those specially applicable to this state.

6. To all other relevant factors within and outside this state; and

7. In the case of fire insurance rates, consideration shall be given to the experience of the fire insurance business during a period of not less than the most recent three year period for which such experience is available;

(d) The systems of expense provisions included in the rates for use by any insurer or group of insurers may differ from those of other insurers or group of insurers to reflect the requirements of the operating methods of any such insurer or group with respect to any kind of insurance or with respect to any subdivision or combination thereof for which subdivision or combination separate expense provisions are applicable;

(e) Risks may be grouped by classifications for the establishment of rates and minimum premiums. Classification rates may be modified to produce rates for individual risks in accordance with rating plans which establish standards for measuring variations in hazards or expense provisions, or both. Such standards may measure any differences among risks which may have a probable effect upon losses or expenses.

(2) Except to the extent necessary to meet the provisions of Section 3 (1) (b) of this subtitle, uniformity among insurers in any matters within the scope of this section is neither required nor prohibited.

(3) Rates made in accordance with this section may be used subject to this subtitle.

Section 4. A new section of Subtitle 13 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) Every insurer shall file with the commissioner, except as to inland marine risks which by general custom of the business are not written according to manual rates or rating plans, every

manual, minimum, class rate, rating schedule or rating plan and every other rating rule, and every modification of any of the foregoing which it proposes to use. Every such filing shall state the proposed effective date thereof, and shall indicate the character and extent of the coverage contemplated.

(2) When a filing is not accompanied by the information upon which the insurer supports such filing, and the commissioner does not have sufficient information to determine whether such filing meets the requirements of this subtitle he shall require the insurer to furnish the information upon which it supports the filing and in such event the waiting period shall commence as of the date such information is furnished. The information furnished in support of a filing may include:

(a) The experience or judgment of the insurer or rating organization making the filing,

(b) Its interpretation of any statistical data it relies upon,

(c) The experience of other insurers or rating organizations, or

(d) Any other relevant factors.

(3) A filing and any supporting information shall be open to public inspection after the filing becomes effective, except as provided in subsection (4) of Section 5 of this subtitle. Specific inland marine rates on risks specifically rated, made by a rating organization, shall be filed with the commissioner, and shall become effective when filed and shall be deemed approved and in compliance with the requirements of this subtitle until such time as the commissioner rejects the filing.

Section 5. A new section of Subtitle 13 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) The commissioner shall review filings as soon as reasonably possible after they have been made in order to determine whether they meet the applicable requirements of this subtitle.

(2) Subject to the exception specified in Section 4 (3) of this subtitle with reference to specific inland marine rates made by a rating organization, and subsections (3) and (4) of this section, each filing shall be on file for a waiting period of thirty days before it becomes effective, which period may be extended

by the commissioner for an additional period not to exceed thirty days if he gives written notice within such waiting period to the insurer or rating organization which made the filing that he needs such additional time for the consideration of such filing. Upon written application by such insurer or rating organization, the commissioner may authorize a filing which he has reviewed to become effective before the expiration of the waiting period or any extension thereof. A filing shall be deemed to meet the requirements of this subtitle unless disapproved by the commissioner within the waiting period or any extension thereof.

(3) Any special filing with respect to a surety or guaranty bond required by law or by court or executive order or by order, rule or regulation of a public body, not covered by a previous filing, shall become effective when filed and shall be deemed to meet the requirements of this subtitle until such time as the commissioner rejects the filing.

(4) The commissioner may, when he deems it to be in the public interest, hold a public hearing on any filing before said filing becomes effective to determine whether or not the filing meets the requirements of this subtitle. When the commissioner has determined that a hearing shall be held relative to any filing, the filing and any supporting information filed therewith shall be open to public inspection immediately upon the giving of notice as required by this subsection. Before such hearing the rating organization or insurer making such filing shall be given ten days written notice of the time and place of such hearing, and the public shall be given notice by publication pursuant to KRS Ch. 424. The commissioner shall promulgate reasonable regulations to prevent the avoidance of normal expirations and renewal dates of policies, or contracts of insurance, that may be affected by such filings. In the event that a hearing is held under the provisions of this subsection the waiting periods specified in subsection (2) of this section shall not begin to run until thirty days after the close of such hearing.

(5) In the review of any filing made pursuant to Section 4 of this subtitle either prior to its becoming effective, or upon a subsequent review as provided for in Section 8 of this subtitle, the burden of establishing that the filing under consideration

meets the requirements of this subtitle shall be on the insurer or rating organization which makes such filing.

Section 6. A new section of Subtitle 13 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

Under rules and regulations as he adopts the commissioner may, by written order, suspend or modify the requirement of filing as to any kind of insurance, subdivision or combination thereof, or as to classes of risks, the rates for which cannot practicably be filed before they are used. Such orders, rules and regulations shall be made known to insurers and rating organizations affected thereby. The commissioner may make such examination as he deems advisable to ascertain whether any rates affected by such order meet the standards that rates shall not be excessive, inadequate or unfairly discriminatory.

Section 7. A new section of Subtitle 13 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) If within the waiting period or any extension thereof as provided in Section 5 of this subtitle, the commissioner finds that a filing does not meet the requirements of this subtitle, he shall give written notice of disapproval of such filing to the insurer or rating organization which made such filing specifying therein in what respects he finds such filing fails to meet the requirements of this subtitle and stating that such filing shall not become effective.

(2) If within thirty days after a specific inland marine rate on a risk specially rated by a rating organization or a special surety or guaranty bond required by law has become effective, the commissioner finds that such filing does not meet the requirements of this subtitle, he shall give written notice of disapproval of the filing to the rating organization or insurer which made the filing specifying therein in what respects he finds that the filing fails to meet the requirements of this subtitle and stating when, within a reasonable period thereafter, the filing shall be deemed no longer effective. Such disapproval shall not affect any contract made or issued prior to the expiration of the period set forth in such notice.

Section 8. A new section of Subtitle 13 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

If at any time subsequent to the applicable review period provided for in Section 7 (1) and (2) of this subtitle the commissioner finds that a filing does not meet the requirements of this subtitle, he shall, after a hearing held upon not less than ten days written notice, specifying the matters to be considered at the hearing, to every insurer and rating organization which made the filing, issue an order specifying in what respects he finds that the filing fails to meet the requirements of this subtitle, and stating when, within a reasonable period thereafter, the filing shall be deemed no longer effective. Copies of the order shall be sent to every such insurer and rating organization. The order shall not affect any contract or policy made or issued prior to the expiration of the period set forth in the order.

Section 9. A new section of Subtitle 13 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

No manual of classifications, rules, rating plans, or any modification of any of the foregoing which establishes standards for measuring variations in hazards or expense provisions, or both, and which has been filed pursuant to Section 3 of this subtitle, shall be disapproved if the rates produced meet the requirements of this subtitle.

Section 10. A new section of Subtitle 13 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

Upon the written application of the insured, stating his reasons therefor, filed with and approved by the commissioner, a rate in excess of that provided by a filing otherwise applicable may be used on any specific risk.

Section 11. A new section of Subtitle 13 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

An insurer may satisfy its obligation to make filings required by Section 3 of this subtitle by becoming a member of, or a subscriber to, a licensed rating organization which makes such filings, and by authorizing the commissioner to accept such filings on its behalf. Nothing contained in this subtitle shall be construed as requiring any insurer to become a member of or a subscriber to any rating organization.

Section 12. A new section of Subtitle 13 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) No rating organization shall conduct its operations in this state without first filing with the commissioner a written application for and securing a license to act as a rating organization: Provided, that a license issued to a rating organization prior to the effective date of this code shall continue in effect until the expiration date of such license.

(2) A corporation, an unincorporated association, a partnership or an individual, whether located within or outside this state, may make application to the commissioner for license as a rating organization for such kinds of insurance, or subdivision or class of risk or a part or combination thereof as are specified in its application and shall file therewith:

(a) A copy of its constitution, its articles of agreement or association or its certificate of incorporation, and of its bylaws, rules and regulations governing the conduct of its business,

(b) A list of its members and subscribers,

(c) The name and address of a resident of this state upon whom notices or orders of the commissioner or process affecting such rating organization may be served, and

(d) A statement of its qualifications as a rating organization.

(3) If the commissioner finds that the applicant is competent, trustworthy and otherwise qualified to act as a rating organization and that its constitution, articles of agreement or association or certificate of incorporation, and its bylaws, rules and regulations governing the conduct of its business conform to the requirements of law, he shall issue a license specifying the kinds of insurance, or subdivision or class of risk or part or combination thereof for which the applicant is authorized to act as a rating organization. Every such application shall be granted or denied in whole or in part by the commissioner within sixty days after the same has been filed with him.

(4) Licenses issued pursuant to this section shall remain in effect until revoked, as provided in this subtitle.

(5) Licenses issued pursuant to this section may be sus-

pended or revoked by the commissioner, after hearing upon notice, in the event the rating organization ceases to meet the requirements of this section.

(6) The fee for filing an application for license as a rating organization is $100, payable in advance to the commissioner.

Section 13. A new section of Subtitle 13 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

Notwithstanding the provision of the preceding section each rating organization possessing a license of indefinite term pursuant to such section shall owe and pay to the commissioner an annual fee of $50 in advance on account of such license until its final termination.

Section 14. A new section of Subtitle 13 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) Subject to rules and regulations which have been approved by the comissioner as reasonable, each rating organization shall permit any insurer to be a subscriber to its rating services for any kind of insurance, subdivision, or class of risk or a part or combination thereof for which it is authorized to act as a rating organization. Notice of proposed changes in such rules and regulations shall be given to subscribers. Each rating organization shall furnish its rating services without discrimination to its subscribers.

(2) The reasonableness of any rule or regulation in its application to subscribers, or the refusal of any rating organization to admit an insurer as a subscriber, shall, at the request of any subscriber or any such insurer, be reviewed by the commissioner at a hearing held upon at least ten days' written notice to such rating organization and to such subscriber or insurer. If the commissioner finds that such rule or regulation is unreasonable in its application to subscribers, he shall order that such rule or regulation shall not be applicable to subscribers. If the rating organization fails to grant or reject an insurer's application for subscribership within thirty days after it was made, the insurer may request a review by the commissioner as if the application had been rejected. If the commissioner finds that the insurer has been refused admittance to the rating organization as a sub-

scriber without justification, he shall order the rating organization to admit the insurer as a subscriber. If he finds that the action of the rating organization was justified, he shall make an order affirming its action.

Section 15. A new section of Subtitle 13 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

Every rating organization shall notify the commissioner promptly of every change in (i) its constitution, its articles of agreement or association, or its certificate of incorporation, and its bylaws, rules and regulations governing the conduct of its business, (ii) its list of members and subscribers, and (iii) the name and address of the resident of this state designated by it upon whom notices or orders of the commissioner or process affecting such rating organization may be served.

Section 16. A new section of Subtitle 13 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

No rating organization shall adopt any rule the effect of which would be to prohibit or regulate the payment of dividends, savings or unabsorbed premium deposits allowed or returned by insurers to their policyholders, members or subscribers.

Section 17. A new section of Subtitle 13 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

Any rating organization may subscribe for or purchase actuarial, technical or other services, and such services shall be available to all subscribers without discrimination.

Section 18. A new section of Subtitle 13 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

Any rating organiation may provide for the examination of its subscriber's policies, daily reports, binders, renewal certificates, endorsements or other evidences of insurance, or the cancellation thereof, and may make reasonable rules governing their submission. Such rules shall contain a provision that in the event any insurer does not within sixty days furnish satisfactory evidence to the rating organization of the correction of any error or omission previously called to its attention by the rating organization, the rating organization shall notify the commissioner thereof. All information so submitted for examination shall be confidential.

Section 19. A new section of Subtitle 13 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

No insurer shall make or issue a contract or policy except in accordance with the filings which are in effect for the insurer as provided in this subtitle or in accordance with Sections 6 or 10 of this subtitle. This section shall not apply to contracts or policies for inland marine risks as to which filings are not required.

Section 20. A new section of Subtitle 13 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) Every member of or subscriber to a rating organization shall adhere to the filings made on its behalf by such organization except that any such insurer may make written application to the commissioner for permission to file a deviation from the class rates, schedules, rating plans or rules respecting any kind of insurance, or class of risk within a kind of insurance, or combination thereof. Such application shall specify the basis for the modification and a copy thereof shall also be sent simultaneously to such rating organization.

(2) The commissioner shall set a time and place for a hearing at which the insurer and such rating organization may be heard and shall give them not less than ten days' written notice thereof. If the commissioner is advised by the rating organization that it does not desire a hearing he may, upon the consent of the applicant, waive such hearings.

(3) In considering the application for permission to file such deviation the commissioner shall give consideration to the available statistics and the principles for rate making as provided in Section 3 of this subtitle. The commissioner shall issue an order permitting the deviation for such insurer to be filed if he finds it to be justified and it shall thereupon become effective. He shall issue an order denying such application if he finds that the modification is not justified or that the resulting premiums would be excessive, inadequate or unfairly discriminatory.

(4) Each deviation permitted to be filed shall be effective for a period of not less than one year from the date of such permission unless terminated sooner with the approval of the commissioner. All term policies issued pursuant to such deviations may remain in force until their expiring dates.

Section 21. A new section of Subtitle 13 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) Any member of or subscriber to a rating organization may appeal to the commissioner from the action or decision of such rating organization in approving or rejecting any proposed change in or addition to the filings of such rating organization.

(2) The commissioner shall, after a hearing held upon not less than ten days' written notice to the appellant and to the rating organization, issue an order approving the action or decision of the rating organization or directing it to give further consideration to such proposal; or if the appeal is from the action or decision of the rating organization in rejecting a proposed addition to its filings, he may, in the event he finds that such action or decision was unreasonable, issue an order directing the rating organization to make an addition to its filings within a reasonable time after the issuance of such order.

Section 22. A new section of Subtitle 13 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) Any person or organization in interest, aggrieved with respect to any filing which is in effect may make written application to the commissioner for a hearing thereon except that the insurer or rating organization that made the filing shall not be authorized to proceed under this section. Such application shall specify the grounds to be relied upon by the applicant.

(2) If the commissioner finds that the application is made in good faith, that the applicant would be so aggrieved if his grounds are established, and that such grounds otherwise justify holding such a hearing, he shall, within thirty days after receipt of such application, hold a hearing upon not less than ten days' written notice to the applicant and to every insurer and rating organization which made such filing.

(3) If, after such hearing, the commissioner finds that the filing does not meet the requirements of this subtitle, he shall issue an order specifying in what respects he finds that such filing fails to meet the requirements of this subtitle, and stating when, within a reasonable period thereafter, such filing shall be deemed no longer effective. Copies of the order shall be sent to the applicant and to every such insurer and rating organization.

The order shall not affect any contract or policy made or issued prior to the expiration of the period set forth in the order.

Section 23. A new section of Subtitle 13 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) Every rating organization and every insurer which makes its own rates shall, within a reasonable time after receiving written request therefor and upon payment of such reasonable charge as it may make, furnish to any insured affected by a rate made by it, or to the authorized representative of such insured, all pertinent information as to such rate.

(2) Every rating organization and every insurer which makes its own rates shall provide within this state reasonable means whereby any person aggrieved by the application of its rating system may be heard, in person or by his authorized representative, on his written request to review the manner in which such rating system has been applied in connection with the insurance afforded him. If the rating organization or insurer fails to grant or reject such request within thirty days after it is made, the applicant may proceed in the same manner as if his application has been rejected. Any party affected by the action of such rating organization or such insurer on such request may, within thirty days after written notice of such action, appeal to the commissioner, who, after a hearing held upon not less than ten days' written notice to the appellant and to such rating organization or insurer, may affirm or reverse such action.

Section 24. A new section of Subtitle 13 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) Every group, association or other organization of insurers, whether located within or outside this state, which assists insurers which make their own filings or rating organizations in rate making, by the collection and furnishing of loss or expense statistics, or by the submission of recommendations, but which does not make filings under this subtitle, shall be known as an advisory organization.

(2) Every advisory organization shall file with the commissioner:

(a) A copy of its constitution, its articles of agreement or

association or its certificate of incorporation and of its bylaws, rules and regulations governing its activities,

(b) A list of its members,

(c) The name and address of a resident of this state upon whom notice or orders of the commissioner or process issued at his direction may be served, and

(d) An agreement that the commissioner may examine such advisory organization in accordance with the provisions of this subtitle.

(3) If, after a hearing, the commissioner finds that the furnishing of such information or assistance involves any act or practice which is unfair or unreasonable or otherwise inconsistent with the provisions of this subtitle, he may issue a written order specifying in what respects such act or practice is unfair or unreasonable or otherwise inconsistent with the provisions of this subtitle, and requiring the discontinuance of such act or practice.

(4) No insurer which makes its own filing nor any rating organization shall support its filings by statistics or adopt rate making recommendations, furnished to it by an advisory organization which has not complied with this section or with an order of the commissioner involving such statistics or recommendations issued under subsection (3) of this section. If the commissioner finds such insurer or rating organization to be in violation of this subsection he may issue an order requiring the discontinuance of such violation.

Section 25. A new section of Subtitle 13 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) Every group, association or other organization of insurers which engages in joint underwriting or joint reinsurance, shall be subject to regulation with respect thereto as herein provided, subject, however, with respect to joint underwriting, to all other provisions of this subtitle, and with respect to joint reinsurance, to Sections 26, 32 and 33 of this subtitle.

(2) If, after a hearing, the commissioner finds that any activity or practice of any such group, association or other organization is unfair or unreasonable or otherwise inconsistent with the provisions of this subtitle, he may issue a written order

specifying in what respects such activity or practice is unfair or unreasonable or otherwise inconsistent with the provisions of this subtitle, and requiring the discontinuance of such activity or practice.

Section 26. A new section of Subtitle 13 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) The commissioner shall examine the affairs, transactions, accounts and records of each rating organization licensed in this state as provided in Section 12 of this subtitle, of each advisory organization in this state as defined in Section 24 of this subtitle, and of joint underwriters and joint reinsurers as defined in Section 25 of this subtitle, as often as he deems advisable, but not less frequently than once every five years. The examination shall be conducted in the same manner and is subject to the same applicable provisions as apply to examination of insurers in Subtitle 2. The reasonable costs of any such examination shall be paid by the organization or association so examined. The officers, managers, agents and employes of such rating organization, advisory organization, or group, association or other organization may be examined at any time under oath and shall exhibit all books, records, accounts, documents, or agreements governing its method of operation. In lieu of any such examination the commissioner may accept the report of an examination made by the insurance supervisory official of another state, pursuant to the laws of such state.

(2) The provisions of Subtitle 2, with regard to examination reports, shall apply as to such examinations.

Section 27. A new section of Subtitle 13 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) The commissioner may promulgate reasonable rules and statistical plans, reasonably adapted to each of the rating systems on file with him, which may be modified from time to time and which shall be used thereafter by each insurer in the recording and reporting of its loss and countrywide expense experience, in order that the experience of all insurers may be made available at least annually in such form and detail as may be necessary to aid him in determining whether rating systems comply with the applicable standards set forth in Section 3 of

this subtitle. Such rules and plans may also provide for the recording and reporting of expense experience items which are specially applicable to this state and are not susceptible of determination by a prorating of countrywide expense experience.

(2) In promulgating such rules and plans, the commissioner shall give due consideration to the rating systems on file with him, and, in order that such rules and plans may be as uniform as is practicable among the several states, to the rules and to the form of the plans used for such rating systems in other states. No insurer shall be required to record or report its loss experience on a classification basis that is inconsistent with the rating system filed by it.

(3) The commissioner may designate one or more rating organizations or other agencies to assist him in gathering such experience and making compilations thereof, and such compilations shall be made available, subject to reasonable rules promulgated by the commissioner, to insurers and rating organizations.

(4) Each insurer shall report its loss or expense experience to the lawful rating organization or agency of which it is a member or subscriber, but shall not be required to report its loss or expense experience to any rating organization or agency of which it is not a member or subscriber. Any insurer not reporting such experience to a rating organization or other agency may be required to report such experience to the commissioner. Any report of such experience of any insurer filed with the commissioner shall be deemed confidential and shall not be revealed by the commissioner to any other insurer or other person, but the commissioner may make compilations including such experience.

Section 28. A new section of Subtitle 13 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) Reasonable rules and plans may be promulgated by the commissioner for the interchange of data necessary for the application of rating plans.

(2) In order to further uniform administration of rate regulatory laws, the commissioner and every insurer and rating organization may exchange information and experience data with insurance supervisory officials, insurers and rating organizations

in other states and may consult with them with respect to rate making and the application of rating systems.

(3) Cooperation among rating organizations or among rating organizations and insurers in rate making or in other matters within the scope of this subtitle is authorized, provided the filings resulting from such cooperation are subject to all provisions of this subtitle which are applicable to filings generally. The commissioner may review such cooperative activities and practices and if, after a hearing, he finds that any such activity or practice is unfair or unreasonable or otherwise inconsistent with the provisions of this subtitle, he may issue a written order specifying in what respects such activity or practice is unfair or unreasonable or otherwise inconsistent with the provisions of this subtitle, and requiring the discontinuance of such activity or practice.

Section 29. A new section of Subtitle 13 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

Agreements may be made among insurers with respect to the equitable apportionment among them of insurance which may be afforded applicants who are in good faith entitled to but who are unable to procure such insurance through ordinary methods and such insurers may agree among themselves on the use of reasonable rate modifications for such insurance, such agreements and rate modifications to be subject to the approval of the commissioner.

Section 30. A new section of Subtitle 13 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) No person or organization shall wilfully withhold information from, or knowingly give false or misleading information to:

(a) The commissioner;

(b) Any statistical agency designated by the commissioner;

(c) Any rating organization, or any insurer which will affect the rates or premiums chargeable under this subtitle.

(2) A violation of this section shall subject the one guilty of such violation to the penalties provided in Section 32 of this subtitle.

Section 31. A new section of Subtitle 13 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) Two or more insurers, who, by virtue of their business associations in the United States, represent themselves to be or are customarily known as a "group" or similar insurance trade designation, may make the same filings or use the same rates for each such insurer subject to the provisions of Section 3 of this subtitle, and nothing contained in this subtitle shall be construed to prohibit an agreement to make the same filings or use the same rates and concerted action in connection with such filings or rates by such insurers. This section shall not apply to two or more insurers who are not under the same common executive or general management or control and who act in concert in underwriting groups or pools.

(2) This section shall not be deemed to prohibit or restrict any agreement or action otherwise lawful under Section 25 of this subtitle.

Section 32. A new section of Subtitle 13 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) The commissioner may, if he finds that any person or organization has violated any provision of this subtitle, impose a penalty of not more than $250 for each such violation, but if he finds such violation to be wilful he may impose a penalty of not more than $1,000 for each such violation. Such penalties may be in addition to any other penalty provided by law.

(2) The commissioner may suspend the license of any rating organization or insurer which fails to comply with an order of the commissioner within the time limited by such order, or any extension thereof which the commissioner may grant. The commissioner shall not suspend the license of any rating organization or insurer for failure to comply with an order until the time prescribed for an appeal therefrom has expired or if an appeal has been taken, until such order has been affirmed. The commissioner may modify or rescind a suspension at any time.

(3) No penalty shall be imposed and no license shall be suspended or revoked except upon a written order of the commissioner, stating his findings made after a hearing held upon

not less than ten days' written notice to such person or organization specifying the alleged violation.

Section 33. A new section of Subtitle 13 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

Any insurer or rating organization aggrieved by any order or decision of the commissioner may appeal therefrom as provided in Section 37 of Subtitle 2 of this Act.

SUBTITLE 14

Section 1. A new section of Subtitle 14 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

This subtitle applies as to all insurance contracts and annuity contracts, other than:

(1) Reinsurance.

(2) Policies or contracts not issued for delivery in this state nor delivered in this state.

(3) Wet marine and transportation insurance.

Section 2. A new section of Subtitle 14 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

"Policy" means the written contract of, or written agreement for, or effecting insurance, by whatever name called, and includes all clauses, riders, endorsements and papers which are attached thereto.

Section 3. A new section of Subtitle 14 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

"Premium" is the consideration for insurance, by whatever name called. Any "assessment," or any "membership," "policy," "survey," "inspection," "service" or similar fee or other charge in consideration for an insurance contract is deemed part of the premium.

Section 4. A new section of Subtitle 14 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) Any individual of competent legal capacity may procure or effect an insurance contract upon his own life or body

for the benefit of any person. No person shall procure or cause to be procured any insurance contract upon the life or body of another individual unless the benefits under such contract are payable to the individual insured or his personal representatives, or to a person having, at the time when such contract was made, an insurable interest in the individual insured.

(2) If the beneficiary, assignee or other payee under any contract made in violation of this section receives from the insurer any benefits thereunder accruing upon the death, disablement or injury of the individual insured, the individual insured or his executor or administrator, as the case may be, may maintain an action to recover such benefits from the person so receiving them.

(3) "Insurable interest" as to such personal insurance means that every individual has an insurable interest in the life, body and health of himself, and of other persons as follows:

(a) In the case of individuals related closely by blood or by law, a substantial interest engendered by love and affection;

(b) In the case of other persons, a lawful and substantial economic interest in having the life, health, or bodily safety of the individual insured continue, as distinguished from an interest which would arise only by, or would be enhanced in value by, the death, disablement or injury of the individual insured; and

(c) An individual heretofore or hereafter party to a contract or option for the purchase or sale of an interest in a business partnership or firm, or of shares of stock of a close corporation or of an interest in such shares, has an insurable interest in the life, health or bodily safety of each individual party to such contract for the purpose of such contract only, in addition to any insurable interest which may otherwise exist as to the life of such individual.

(4) An insurer shall be entitled to rely upon all statements, declarations and representations made by an applicant for insurance relative to the insurable interest of the applicant in the insured; and no insurer shall incur legal liability except as set forth in the policy, by virtue of any untrue statements, declarations or representations so relied upon in good faith by the insurer.

Section 5. A new section of Subtitle 14 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) Life insurance contracts may be entered into in which the person paying the consideration for the insurance has no insurable interest in the life of the individual insured, where charitable, benevolent, educational, or religious institutions, or their agencies, are designated irrevocably as the beneficiaries thereof.

(2) In making such contracts the person paying the premium shall make and sign the application therefor as owner, and shall designate a charitable, benevolent, educational or religious institution, or an agency thereof, irrevocably as the beneficiary or beneficiaries of such contract. The application shall be signed also by the individual whose life is to be insured.

(3) Nothing in this section shall be deemed to prohibit any combination of the applicant, premium payer, owner, and beneficiary from being the same person.

(4) Such a contract shall be valid and binding among the parties thereto, notwithstanding the absence otherwise of an insurable interest in the life of the individual insured.

Section 6. A new section of Subtitle 14 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) No contract of insurance of property or of any interest in property or arising from property shall be enforceable as to the insurance except for the benefit of persons having an insurable interest in the things insured as at the time of the loss.

(2) "Insurable interest" as used in this section means any actual, lawful, and substantial economic interest in the safety or preservation of the subject of the insurance free from loss, destruction, or pecuniary damage or impairment.

(3) When the name of a person intended to be insured is specified in the policy, such insurance can be applied only to his own proper interest. This section shall not apply to life, health or title insurance.

Section 7. A new section of Subtitle 14 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) Any person of competent legal capacity may contract for insurance.

(2) Any minor not less than fifteen years of age may, notwithstanding his minority, contract for or own annuities, or insurance upon his own life, body, health, property, liabilities or other interests, or on the person of another in whom the minor has an insurable interest. Such a minor shall, notwithstanding such minority, be deemed competent to exercise all rights and powers with respect to or under (a) any contract for annuity or for insurance upon his own life, body or health, or (b) any contract such minor effected upon his own property, liabilities or other interests, or (c) any contract effected or owned by the minor on the person of another, as might be exercised by a person of full legal age, and may at any time surrender his interest in any such contract and give valid discharge for any benefit accruing or money payable thereunder. Such a minor shall not, by reason of his minority, be entitled to rescind, avoid or repudiate the contract, nor to rescind, avoid or repudiate any exercise of a right or privilege thereunder, except that such a minor not otherwise emancipated, shall not be bound by any unperformed agreement to pay by promissory note or otherwise, any premium on any such annuity or insurance contract.

(3) Any annuity contract or policy of life or health insurance procured by or for a minor under subsection (2), shall be made payable either to the minor or his estate or to a person having an insurable interest in the life of the minor.

Section 8. A new section of Subtitle 14 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

No life or health insurance contract upon an individual, except a contract of group life insurance or of group or blanket health insurance, shall be made or effectuated unless at the time of the making of the contract the individual insured having the power to contract as provided in Section 7 Subtitle 14 of this Act applies therefor or has consented thereto in writing, except in the following cases:

(1) A spouse may effectuate such insurance upon the other spouse.

(2) Any person having an insurable interest in the life of

a minor, or any person upon whom a minor is dependent for support and maintenance, may effectuate insurance upon the life of or pertaining to such minor.

(3) Family policies may be issued insuring any two or more members of a family on an application signed by either parent, a step-parent, or by a husband or wife.

Section 9. A new section of Subtitle 14 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) Any application for insurance in writing by the applicant shall be altered solely by the applicant or by his written consent, except that insertions may be made by the insurer for administrative purposes only in such manner as to indicate clearly that such insertions are not to be ascribed to the applicant.

(2) No person shall falsify or cause to be falsified, in any application for insurance, any answer to a question propounded to the applicant therein, or insert or cause to be inserted therein, except as provided in subsection (1), any statement to be made by such applicant other than the statement made by the applicant.

(3) An insurer issuing a policy upon an application which has been unlawfully altered by its officer, employe, or agent shall not have available in any action arising out of such policy, any defense based upon the fact of such alteration, or as to any item which was so altered.

Section 10. A new section of Subtitle 14 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) No application for the issuance of any life insurance policy shall be admissable in evidence in any action relative to such policy, unless a true copy of the application was attached to or otherwise made a part of the policy when issued and delivered. A photostatic or other process copy or reduction of the application or medical examination, if any, may be so used if clearly legible. This provision shall not apply to industrial life insurance policies.

(2) If any policy of life or health insurance delivered in this state is reinstated or renewed, and the insured or the bene-

ficiary or assignee of the policy makes written request to the insurer for a copy of the application, if any, for such reinstatement or renewal, the insurer shall, within thirty days after receipt of such request at its principal office or any of its branch offices, deliver or mail to the person making such request, a copy of such application. If such copy is not so delivered or mailed, the insurer shall be precluded from introducing such application as evidence in any action or proceeding based upon or involving the policy or its reinstatement or renewal.

(3) As to the kinds of insurance other than life insurance, no application for insurance signed by or on behalf of the insured shall be admissible in evidence in any action between the insured and the insurer arising out of the policy so applied for, if the insurer has failed, within thirty days after receipt by the insurer of written demand therefor by or on behalf of the insured, to furnish to the insured a copy of such application reproduced by any legible means.

Section 11. A new section of Subtitle 14 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

All statements and descriptions in any application for an insurance policy or annuity contract, by or in behalf of the insured or annuitant, shall be deemed to be representations and not warranties. Misrepresentations, omissions and incorrect statements shall not prevent a recovery under the policy or contract unless either:

(1) Fraudulent; or

(2) Material either to the acceptance of the risk, or to the hazard assumed by the insurer; or

(3) The insurer in good faith would either not have issued the policy or contract, or would not have issued it at the same premium rate, or would not have issued a policy or contract in as large an amount, or would not have provided coverage with respect to the hazard resulting in the loss, if the true facts had been made known to the insurer as required either by the application for the policy or contract or otherwise.

Section 12. A new section of Subtitle 14 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) No basic insurance policy or annuity contract form, or application form where written application is required and is to be made a part of the policy or contract, or printed rider or endorsement form or form of renewal certificate, shall be delivered, or issued for delivery in this state, unless the form has been filed with and approved by the commissioner. This provision shall not apply to surety bonds, or to specially rated inland marine risks, or to policies, riders, endorsements or forms of unique character designed for and used with relation to insurance upon a particular subject, or which relate to the manner or distribution of benefits or to the reservation of rights and benefits under life or health insurance policies and are used at the request of the individual policyholder, contract holder, or certificate holder. As to group insurance policies issued and delivered to an association outside this state but covering persons resident in this state, all or substantially all of the premiums for which are payable by the insured members, the group certificates to be delivered or issued for delivery in this state shall be filed with and approved by the commissioner. As to forms for use in property, marine (other than wet marine and transportation insurance), casualty and surety insurance coverages the filing required by this subsection may be made by rating organizations on behalf of its members and subscribers; but this provision shall not be deemed to prohibit any such member or subscriber from filing any such forms on its own behalf.

(2) Every such filing shall be made not less than thirty days in advance of any such delivery. At the expiration of such thirty days the form so filed shall be deemed approved unless prior thereto it has been affirmatively approved or disapproved by order of the commissioner. Approval of any such form by the commissioner shall constitute a waiver of any unexpired portion of such waiting period. The commissioner may extend by not more than an additional thirty-day period within which he may so affirmatively approve or disapprove any such form, by giving notice to the insurer of such extension before expiration of the initial thirty-day period. At the expiration of any such period as so extended, and in the absence of such prior affirmative approval or disapproval, any such form shall be deemed approved. The commissioner may at any time, after notice and for cause shown, withdraw any such approval.

(3) Any order of the commissioner disapproving any such form or any notice of the commissioner withdrawing a previous approval shall state the grounds therefor and the particulars thereof in such detail as reasonably to inform the insurer thereof. Any such withdrawal of a previously approved form shall be effective at expiration of such period, not less than thirty days after the giving of the notice of withdrawal, as the commissioner shall in such notice prescribe.

(4) The commissioner may, by order, exempt from the requirements of this section for so long as he deems proper any insurance document or form or type thereof as specified in such order, to which, in his opinion, this section may not practicably be applied, or the filing and approval of which are, in his opinion, not desirable or necessary for the protection of the public.

(5) Appeals from orders of the commissioner disapproving any such form or withdrawing a previous approval may be taken as provided in Subtitle 2.

Section 13. A new section of Subtitle 14 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) The commissioner shall disapprove any form filed under Section 12 of Subtitle 14 of this Act, or withdraw any previous approval thereof, only on one or more of the following grounds:

(a) If it is in any respect in violation of, or does not comply with, this code.

(b) If it contains or incorporates by reference, where such incorporation is otherwise permissible, any inconsistent, ambiguous, or misleading clauses, or exceptions and conditions which deceptively affect the risk purported to be assumed in the general coverage of the contract.

(c) If it has any title, heading, or other indication of its provisions which is misleading, or is printed in such size of type or manner of reproduction as to be substantially illegible.

(d) As to an individual health insurance policy, if the benefits provided therein are unreasonable in relation to the premium charged.

(2) The insurer shall not use in this state any such form after disapproval or withdrawal of approval.

Section 14. A new section of Subtitle 14 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) Insurance contracts shall contain such standard or uniform provisions as are required by the applicable provisions of this code pertaining to contracts of particular kinds of insurance. The commissioner may waive the required use of a particular provision in a particular insurance policy form if:

(a) He finds such provision unnecessary for or unrelated to the protection of the insured and inconsistent with the purposes of the policy, and

(b) The policy is otherwise approved by him.

(2) No policy shall contain any provision inconsistent with or contradictory to any standard or uniform provision used or required to be used, but the commisisoner may approve any substitute provision which is, in his opinion, not less favorable in any particular to the insured or beneficiary than the provisions otherwise required.

(3) In lieu of the provisions required by this code for contracts for particular kinds of insurance, substantially similar provisions required by the law of the domicile of a foreign or alien insurer may be used when approved by the commissioner.

(4) A policy issued by a domestic insurer for delivery in another jurisdiction may contain any provision required or permitted by the laws of such jurisdiction.

Section 15. A new section of Subtitle 14 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) Every policy shall specify:

(a) The names of the parties to the contract.

(b) The subject of the insurance.

(c) The risks insured against.

(d) The time when the insurance thereunder takes effect and the period during which the insurance is to continue.

(e) The premium.

(f) The conditions pertaining to the insurance.

(g) Benefits payable.

(2) If under the policy the exact amount of premium is determinable only at stated intervals or termination of the contract, a statement of the basis and rates upon which the premium is to be determined and paid shall be included.

(3) Subsections (1) and (2) shall not apply as to surety contracts, or to group insurance policies.

Section 16. A new section of Subtitle 14 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

A policy may contain additional provisions not inconsistent with this code and which are:

(1) Required to be inserted by the laws of the insurer's domicile; or

(2) Necessary, on account of the manner in which the insurer is constituted or operated, in order to state the rights and obligations of the parties to the contract; or

(3) Desired by the insurer and neither prohibited by law nor in conflict with any provisions required to be included therein.

Section 17. A new section of Subtitle 14 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

No policy shall contain any provision, purporting to make any portion of the charter, bylaws or other constituent document of the insurer (other than the subscriber's agreement or power of attorney of a reciprocal insurer) a part of the contract unless such portion is set forth in full in the policy. Any policy provision in violation of this section shall be invalid.

Section 18. A new section of Subtitle 14 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) No agreement in conflict with, modifying, or extending any contract of insurance shall be valid unless in writing and made a part of the policy.

(2) No insurer or its representative shall make any insurance contract or agreement relative thereto other than as is plainly expressed in the policy.

(3) The requirements of this section shall not apply to

the granting of additional benefits to all policyholders of an insurer, or a class or classes of them, which do not require increases in premium rates or reduction or restrictions of coverage.

Section 19. A new section of Subtitle 14 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) Every policy shall be executed in the name of and on behalf of the insurer by its officer, attorney-in-fact, employe, or representative duly authorized by the insurer.

(2) A facsimile signature of any such executing officer, attorney-in-fact, employe, or representative may be used in lieu of an original signature.

(3) No insurance contract heretofore or hereafter issued and which is otherwise valid shall be rendered invalid by reason of the apparent execution thereof on behalf of the insurer by the imprinted facsimile signature of any individual not authorized so to execute as of the date of the policy.

Section 20. A new section of Subtitle 14 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) Two or more authorized insurers may jointly issue, and shall be jointly and severally liable on, an underwriters' policy bearing their names. Any one insurer may issue policies in the name of an underwriter's department and such policies shall plainly show the true name of the insurer.

(2) Two or more authorized insurers may, with the commissioner's approval, issue a combination policy which shall contain provisions substantially as follows:

(a) That the insurers executing the policy shall be severally liable for the full amount of any loss or damage, according to the terms of the policy, or for specified percentages or amounts thereof, aggregating the full amount of insurance under the policy.

(b) That service of process, or of any notice of proof of loss required by such policy, upon any of the insurers executing the policy, shall constitute service upon all such insurers.

(3) This section shall not apply to co-surety obligations.

Section 21. A new section of Subtitle 14 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) A policy hereafter delivered or issued for delivery to any person in this state in violation of this code but otherwise binding on the insurer, shall be held valid, but shall be construed as provided in this code.

(2) Any insurance policy, rider, or endorsement hereafter issued and otherwise valid which contains any condition, omission or provision not in compliance with the requirements of this code, shall not thereby be rendered invalid but shall be construed and applied in accordance with such condition, omission or provision as would have applied had the same been in full compliance with this code.

Section 22. A new section of Subtitle 14 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) Binders or other contracts for temporary insurance may be made orally or in writing, and shall be deemed to include all the usual terms of the policy as to which the binder was given together with such applicable endorsements as are designated in the binder, except as superceded by the clear and express terms of the binder.

(2) No binder shall be valid beyond the issuance of the policy with respect to which it was given, or beyond ninety days from its effective date, whichever period is the shorter.

(3) If the policy has not been issued a binder may be extended or renewed beyond such ninety days with the written approval of the commissioner, or in accordance with such rules and regulations relative thereto as the commissioner may promulgate.

(4) This section shall not apply to life or health insurances.

Section 23. A new section of Subtitle 14 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) Subject to the insurer's requirements as to payment of premium, every policy shall be mailed or delivered to the insured or to the person entitled thereto within a reasonable period of time after its issuance, except where a condition required by the insurer has not been met by the insured.

(2) In the event the original policy is delivered or is so required to be delivered to or for deposit with any vendor, mortgagee, or pledgee of any motor vehicle or aircraft, and in which policy any interest of the vendee, mortgagor, or pledgor in or with reference to such vehicle or aircraft is insured, a duplicate of such policy, or memorandum thereof setting forth the name and address of the insurer, type of coverage, limit of liability, premiums for the respective coverages, and duration of the policy, shall be delivered by the vendor, mortgagee, or pledgee to each such vendee, mortgagor, or pledgor named in the policy or coming within the group of persons designated in the policy to be so included. If the policy does not provide coverage of legal liability for injury to persons or damage to the property of third parties, a statement of such fact shall be printed, written, or stamped conspicuously on the face of such duplicate policy or memorandum. This subsection does not apply to inland marine floater policies.

Section 24. A new section of Subtitle 14 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

Any insurance policy terminating by its terms at a specified expiration date and not otherwise renewable, may be renewed or extended at the option of the insurer, upon a currently authorized policy form and at the premium rate then required therefor, for a specific additional period or periods by a certificate or by endorsement of the policy, and without requiring the issuance of a new policy.

Section 25. A new section of Subtitle 14 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) A policy may be assignable or not assignable, as provided by its terms.

(2) Subject to its terms relating to assignability, a life or health insurance policy, whether heretofore or hereafter issued, under the terms of which the beneficiary may be changed upon the sole request of the insured or owner, may be assigned either by pledge or transfer of title, by an assignment executed by the insured or owner alone and delivered to the insurer, whether or not the pledgee or assignee is the insurer.

(3) Any assignment of a policy which is otherwise lawful and of which the insurer has received notice, shall entitle the insurer to deal with the assignee as the owner or pledgee of the policy in accordance with the terms of the assignment, until the insurer has received at its principal office written notice of the termination of the assignment or pledge, or written notice by or on behalf of some interest in the policy in conflict with the assignment.

(4) Any individual insured under a group insurance policy or group annuity contract shall have the right, unless expressly prohibited under the terms of the policy or contract, to assign to any other person his rights and benefits under the policy or contract, including, but not limited to, the right to designate the beneficiary or beneficiaries and the rights as to conversion provided for in Sections 18 to 20, inclusive, of Subtitle 16 of this Act. While the assignment is in effect, and whether heretofore or hereafter made, the insurer shall be entitled to deal with the assignee as the owner of such rights and benefits in accordance with the terms of the assignment; but without prejudice to the insurer on account of any lawful action taken or payment made by it prior to receipt by it at its principal office or written notice of the assignment or of the termination thereof.

Section 26. A new section of Subtitle 14 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

Whenever the proceeds of or payments under a life or health insurance policy or annuity contract heretofore or hereafter issued become payable in accordance with the terms of such policy or contract, or the exercise of any right or privilege thereunder, and the insurer makes payment thereof in accordance therewith or in accordance with any written assignment thereof, the person then designated as being entitled thereto shall be entitled to receive such proceeds or payments and to give full acquittance therefor, and such payments shall fully discharge the insurer from all claims under the policy or contract unless, before payment is made, the insurer has received at its principal office written notice by or on behalf of some other person that such other person claims to be entitled to such payment or some interest in the policy or contract.

Section 27. A new section of Subtitle 14 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

An insurer shall furnish upon written request of any person claiming to have a loss under any insurance contract, forms of proof of loss for completion by such person, but such insurer shall not, by reason of the requirement so to furnish forms, have any responsibility or liability for or with reference to the completion of such proof or the manner of any such completion or attempted completion.

Section 28. A new section of Subtitle 14 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

Without limitation of any right or defense of an insurer otherwise, none of the following acts by or on behalf of an insurer shall be deemed to constitute a waiver of any provision of a policy or of any defense of the insurer thereunder:

(1) Acknowledgment of the receipt of notice of loss or claim under the policy.

(2) Furnishing forms for reporting a loss or claim, for giving information relative thereto, or for making proof of loss, or receiving or acknowledging receipt of any such forms or proofs completed or uncompleted.

(3) Investigating any loss or claim under any policy or engaging in negotiations looking toward a possible settlement of any such loss or claim.

(4) Making advance or partial payments under insurance policies as an accommodation to or on behalf of any person suffering injury, loss or damage, and any such payment shall be credited to the final settlement or judgment.

Section 29. A new section of Subtitle 14 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) Every insurer issuing participating policies, shall pay dividends, unused premium refunds or savings distributed on account of any such policy, only to the real party in interest entitled thereto as shown by the insurer's records, or to any person to whom the right thereto has been assigned in writing of record with the insurer, or given in the policy by such real party in interest.

(2) Any person who is shown by the insurer's records to have paid for his own account, or to have been ultimately charged for, the premium for insurance provided by a policy in which another person is the nominal insured, shall be deemed such real party in interest proportionate to premium so paid or so charged. This subsection shall not apply as to any such dividend, refund, or distribution which would amount to less than one dollar.

(3) This section shall not apply to contracts of group life insurance, group annuities, or group disability insurance, nor to policies issued prior to September 1, 1950, nor to any policy which contains a provision specifying to whom the dividends shall be paid.

Section 30. A new section of Subtitle 14 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) If a policy of insurance whether heretofore or hereafter issued, is effected by any person on his own life, or on another life, in favor of a person other than himself, or, except in cases of transfer with intent to defraud creditors, if a policy of life insurance is assigned or in any way made payable to any such person, the lawful beneficiary or assignee thereof, other than the insured or the person so effecting such insurance or executors or administrators of such insured or the person so effecting such insurance, shall be entitled to its proceeds and avails against the creditors and representatives of the insured and of the person effecting the same, whether or not the right to change the beneficiary is reserved or permitted and whether or not the policy is made payable to the person whose life is insured if the beneficiary or assignee shall pre-decease such person, and such proceeds and avails shall be exempt from all liability for any debt of the beneficiary existing at the time the policy is made available for his use: Provided, that subject to the statute of limitations, the amount of any premiums for such insurance paid with intent to defraud creditors, with interest thereon, shall inure to their benefit from the proceeds of the policy; but the insurer issuing the policy shall be discharged of all liability thereon by payment of its proceeds in accordance with its terms, unless, before such payment, the insurer shall have received written notice at its principal office, by or in behalf of a creditor,

of a claim to recover for transfer made or premiums paid with intent to defraud creditors, with specification of the amount claimed.

(2) For the purposes of subsection (1), a policy shall also be deemed to be payable to a person other than the insured if and to the extent that a facility-of-payment clause or similar clause in the policy permits the insurer to discharge its obligation after the death of the individual insured by paying the death benefits to a person as permitted by such clause.

Section 31. A new section of Subtitle 14 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

Except as may otherwise be expressly provided by the policy or contract, the proceeds or avails of all contracts of health insurance and of provisions providing benefits on account of the insured's disability which are supplemental to life insurance or annuity contracts heretofore or hereafter effected shall be exempt from all liability for any debt of the insured, and from any debt of the beneficiary existing at the time the proceeds are made available for his use.

Section 32. A new section of Subtitle 14 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) A policy of group life insurance or group health insurance or the proceeds thereof payable to the individual insured or to the beneficiary thereunder, shall not be liable, either before or after payment, to be applied by any legal or equitable process to pay any debt or liability of such insured individual or his beneficiary or of any other person having a right under the policy. The proceeds thereof, when made payable to a named beneficiary or to a third person pursuant to a facility-of-payment clause, shall not constitute a part of the estate of the individual insured for the payment of his debts.

(2) This section shall not apply to group insurance issued pursuant to this code to a creditor covering his debtors, to the extent that such proceeds are applied to payment of the obligation for the purpose of which the insurance was so issued.

Section 33. A new section of Subtitle 14 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) The benefits, rights, privileges and options which under any annuity contract heretofore or hereafter issued are due or prospectively due the annuitant, shall not be subject to execution nor shall the annuitant be compelled to exercise any such rights, powers, or options, nor shall creditors be allowed to interfere with or terminate the contract, except:

(a) As to amounts paid for or as premium on any such annuity with intent to defraud creditors, with interest thereon, and of which the creditor has given the insurer written notice at its principal office prior to the making of the payment to the annuitant out of which the creditor seeks to recover. Any such notice shall specify the amount claimed or such facts as will enable the insurer to ascertain such amount, and shall set forth such facts as will enable the insurer to ascertain the annuity contract, the annuitant and the payment sought to be avoided on the ground of fraud.

(b) The total exemption of benefits presently due and payable to any annuitant periodically or at stated times under all annuity contracts under which he is an annuitant, shall not at any time exceed $350 per month for the length of time represented by such installments, and that such periodic payments in excess of $350 per month shall be subject to garnishee execution to the same extent as are wages and salaries.

(c) If the total benefits presently due and payable to any annuitant under all annuity contracts under which he is an annuitant, shall at any time exceed payment at the rate of $350 per month, then the court may order such annuitant to pay to a judgment creditor or apply on the judgment, in installments, such portion of such excess benefits as to the court may appear just and proper, after due regard for the reasonable requirements of the judgment debtor and his family, if dependent upon him, as well as any payments required to be made by the annuitant to other creditors under prior court orders.

(2) If the contract so provides, the benefits, rights, privileges or options accruing under such contract to a beneficiary or assignee shall not be transferable nor subject to commutation, and if the benefits are payable periodically or at stated times, the same exemptions and exceptions contained herein for the annuitant, shall apply with respect to such beneficiary or assignee.

(3) An annuity contract within the meaning of this section shall be any obligation to pay sums at stated times, during life or lives, or for a specified term or terms, issued for a valuable consideration, regardless of whether or not such sums are payable to one or more persons, jointly or otherwise, but does not include payments under life insurance contracts at stated times during life or lives, or for a specified term or terms.

Section 34. A new section of Subtitle 14 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) Every life insurance policy made payable to or for the benefit of or duly assigned or transferred to a married woman, or to any person in trust for her, shall inure to her separate use and benefit and that of her children, independently of her husband or his creditors or any other person effecting or transferring the policy, or his creditors.

(2) A married woman may, without consent of her husband, contract, pay for, take out and hold a policy on the life or health of her husband or children, or against loss by his or their disablement by accident. The premiums paid on the policy shall be held to have been her separate estate, and the policy shall inure to her separate use and benefit and that of her children, free from any claim of her husband or others.

(3) If the premium on any such policy is paid by any person with intent to defraud his creditors, an amount equal to the premium so paid, with interest thereon, shall inure to the benefit of the creditors, subject to the statute of limitations.

Section 35. A new section of Subtitle 14 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) Any life insurer shall have power to hold the proceeds of any life or endowment insurance or annuity contract issued by it (a) upon such terms and restrictions as to revocation by the insured and control by beneficiaries, (b) with such exemptions from legal process and the claims of creditors of beneficiaries, other than the insured, and (c) upon such other terms and conditions, irrespective of the time and manner of payment of proceeds, as shall have been agreed to in writing by the insurer and the insured or beneficiary. The insurer shall not be required

to segregate funds so held but may hold them as a part of its general corporate assets.

(2) The provisions of this section shall not impair or effect any rights of creditors under Sections 30 and 33 of Subtitle 14 of this Act.

Section 36. A new section of Subtitle 14 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

Every insurance contract shall be construed according to the entirety of its terms and conditions as set forth in the policy, and as amplified, extended, or modified by any rider, endorsement, or application attached to and made a part of the policy.

Section 37. A new section of Subtitle 14 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

No conditions, stipulations or agreements in a contract of insurance shall deprive the courts of this state of jurisdiction of actions against foreign insurers, or limit the time for commencing actions against such insurers to a period of less than one year from the time when the cause of action accrues.

Section 38. A new section of Subtitle 14 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

Suit upon causes of action arising within this state against an insurer upon an insurance contract shall be brought in the county where the cause of action arose or in the county where the policyholder instituting such action resides.

SUBTITLE 15

Section 1. A new section of Subtitle 15 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

The provisions of this subtitle apply only to contracts of life insurance and annuities, other than reinsurance, group life insurance and group annuities.

Section 2. A new section of Subtitle 15 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) "Industrial life insurance" is that form of life insurance written under policies of face amount of $3,000 or less issued on

the basis of an industrial mortality table, and under which premiums are payable monthly or more often.

(2) "Wholesale life insurance" is that plan of life insurance, other than salary savings life insurance or pension trust insurance and annuities, under which individual policies are issued to the employes of any employer and where such policies are issued on the lives of not less than four employes at date of issue. Premiums for such policies shall be paid either wholly from the employer's funds, or funds contributed by him, or partly from such funds and partly from funds contributed by the insured employes.

Section 3. A new section of Subtitle 15 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

In construing the provisions of Sections 31 to 36, inclusive, of Subtitle 15 of this Act, "ordinary insurance or "insurance upon the ordinary plan" shall be considered to be insurance that may be paid for by a single premium, by annual premiums or by semi-annual or quarterly or other installments thereon at the option of the insurer; and "industrial insurance" shall be considered to be insurance as defined in Section 2 of Subtitle 15 of this Act.

Section 4. A new section of Subtitle 15 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) No policy of life insurance other than pure endowments with or without return of premiums or of premiums and interest, shall be delivered or issued for delivery in this state unless it contains in substance all of the applicable provisions required by Sections 5 to 17, inclusive, of Subtitle 15 of this Act. This section shall not apply to annuity contracts nor to any provision of a life insurance policy, or contract supplemental thereto, relating to disability benefits or to additional benefits in the event of death by accident or accidental means.

(2) Any of such provisions or portions thereof not applicable to single premium or nonparticipating or term policies or insurance granted in exchange for lapsed or surrendered policies, shall to that extent not be incorporated therein.

Section 5. A new section of Subtitle 15 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

There shall be a provision relating to the time and place of payment of premiums.

Section 6. A new section of Subtitle 15 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

There shall be a provision that a grace period of thirty days, or, at the option of the insurer, of one month of not less than thirty days, or of four weeks in the case of industrial life insurance policies the premiums for which are payable more frequently than monthly, shall be allowed within which the payment of any premium after the first may be made, during which period of grace the policy shall continue in full force. The insurer may impose an interest charge for the number of days of grace elapsing before the payment of the premium, and, whether or not such interest charge is imposed, if a claim arises under the policy during such period of grace, the amount of any premium due or overdue, together with interest and any deferred installment of the annual premium, may be deducted from the policy proceeds. The grace period shall date from the premium due date specified in the policy.

Section 7. A new section of Subtitle 15 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

There shall be a provision that except as otherwise expressly provided by law, the policy and the application therefor, if a copy of such application is endorsed upon or attached to the policy when issued, shall constitute the entire contract between the parties, and that all statements contained in the application shall, in the absence of fraud, be deemed representations and not warranties.

Section 8. A new section of Subtitle 15 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) There shall be a provision that the policy shall be incontestable after it has been in force during the lifetime of the insured for a period of not more than two years after its date of issue, except for non-payment of premiums, and except, at the insurer's option, as to provisions relating to benefits in the event

of total and permanent disability and provisions granting additional benefits specifically against death by accident or accidental means.

(2) Any monthly disability income rider attached to a life insurance policy shall contain an incontestability clause as provided under Section 6 of Subtitle 17 of this Act.

Section 9. A new section of Subtitle 15 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

There shall be a provision that if the age or sex or both of the insured, or of any other person whose age or sex is considered in determining the premium or benefit, has been misstated, all amounts payable under this policy shall be such as the premium paid would have purchased at the correct age and sex. Such provision may provide that, in the event the age of the insured has been misstated, and if according to the correct age of the insured the coverage provided by the policy would not have become effective or would have ceased prior to acceptance of any premium for a period not covered by the policy, then the liability shall be limited to the refund, upon request, of all premiums paid for the period not covered by the policy.

Section 10. A new section of Subtitle 15 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) There shall be a provision in participating policies that, beginning not later than the end of the third policy year, the insurer shall annually ascertain and apportion the divisible surplus, if any, that will accrue on the policy anniversary or other dividend date specified in the policy provided the policy is in force and all premiums to that date are paid. Except as hereinafter provided, any dividend becoming payable shall at the option of the party entitled to elect such option be either:

(a) Payable in cash, or

(b) Applied to any one of such other dividend options as may be provided by the policy. If any such other dividend options are provided, the policy shall further state which option shall be automatically effective if such party shall not have elected some other option. If the policy specifies a period within which such other dividend option may be elected, such

period shall be not less than thirty days following the date on which such dividend is due and payable. The annually apportioned dividend shall be deemed to be payable in cash within the meaning of (a) even though the policy provides that payment of such dividend is to be deferred for a specified period, provided such period does not exceed six years from the date of apportionment and that interest will be added to such dividend at a specified rate.

(2) Renewable term policies of ten years or less may provide that the surplus accrued to such policies shall be determined and apportioned each year after the second policy year, and accumulated during each renewal period, and that at the end of the renewal period, on renewal of the policy by the insured, the insurer shall apply the accumulated surplus as an annuity for the next succeeding renewal term in the reduction of premiums.

(3) In participating industrial life insurance policies, in lieu of the provision required in subsection (1), there shall be a provision that, beginning not later than the end of the fifth policy year, the policy shall participate annually in the divisible surplus, if any, in the manner set forth in the policy.

(4) This section does not apply as to insurance issued in consideration of lapsed or surrendered policies.

Section 11. A new section of Subtitle 15 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) There shall be a provision that after three full years' premiums have been paid and after the policy has a cash surrender value and while no premium is in default beyond the grace period for payment, the insurer will advance, on proper assignment or pledge of the policy and on the sole security thereof, at a specified rate of interest, an amount equal to or, at the option of the party entitled thereto, less than the loan value of the policy. The loan value of the policy shall be at least equal to the cash surrender value at the end of the then current policy year, and the insurer may deduct, either from such loan value or from the proceeds of the loan, any existing indebtedness not already deducted in determining such cash surrender value including any interest then accrued but not

due, any unpaid balance of the premium for the current policy year, and interest on the loan to the end of the current policy year. The policy may also provide that if interest on any indebtedness is not paid when due, it shall then be added to the existing indebtedness and shall bear interest at the same rate, and that if and when the total indebtedness on the policy, including interest due, or accrued, equals or exceeds the amount of the loan value thereof, then the policy shall terminate and become void, but not until at least thirty days after notice has been mailed by the insurer to the last address of record with the insurer, of the insured or other policy owner and of any assignee of record at the insurer's principal office. The policy shall reserve to the insurer the right to defer the granting of a loan, other than for the payment of any premium to the insurer, for six months after application therefor. The policy, at the insurer's option, may provide for automatic premium loan.

(2) This section shall not apply to term policies, or to term insurance benefits provided by rider or supplemental policy provisions or to industrial life insurance policies.

Section 12. A new section of Subtitle 15 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

In case the policy provides that the proceeds may be payable in installments which are determinable at issue of the policy, there shall, except as otherwise permitted by the commissioner, be a table showing the amounts of the guaranteed installments.

Section 13. A new section of Subtitle 15 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

There shall be a provision that, unless the policy has been surrendered for its cash surrender value, or its cash surrender value has been exhausted, the policy will be reinstated at any time within three years (or two years in the case of industrial life insurance policies) from the date of premium default upon written application therefor, the production of evidence of insurability satisfactory to the insurer, the payment of all premiums in arrears and the payment or reinstatement of any other indebtedness to the insurer upon the policy, all with interest at the rate specified.

Section 14. A new section of Subtitle 15 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

There shall be a provision that when the benefits under the policy shall become payable by reason of the death of the insured, settlement shall be made upon receipt of due proof of death and, at the insurer's option, surrender of the policy and/or proof of the interest of the claimant. If an insurer shall specify a particular period prior to the expiration of which settlement shall not be made, such period shall not exceed two months from the receipt of such proofs.

Section 15. A new section of Subtitle 15 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

An industrial life insurance policy shall have the name of the beneficiary designated thereon or in the application or other form if attached to the policy, with a reservation of the right to designate or change the beneficiary after the issuance of the policy, unless such beneficiary be irrevocably designated. The policy may also provide that no designation or change of beneficiary shall be binding on the insurer until endorsed on the policy by the insurer, and that the insurer may refuse to endorse the name of any proposed beneficiary who does not appear to the insurer to have an insurable interest in the life of the insured. The policy may also provide that if the beneficiary designated in the policy does not make a claim under the policy or does not surrender the policy with due proof of death within the period stated in the policy, which shall not be less than thirty days after the death of the insured, or if the beneficiary is the estate of the insured, or is a minor, or dies before the insured, or is not legally competent to give a valid release, then the insurer may make any payment thereunder to the executor or administrator of the insured, or to any relative of the insured by blood or legal adoption or connection by marriage, or to any person appearing to the insurer to be equitably entitled thereto by reason of having been named beneficiary, or by reason of having incurred expense for the maintenance, medical attention or burial of the insured. The policy may also include a similar provision applicable to any other payment due under the policy.

Section 16. A new section of Subtitle 15 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

There shall be a title on the policy, briefly describing the same.

Section 17. A new section of Subtitle 15 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

A clause in any policy of life insurance providing that such policy shall be incontestable after a specified period shall preclude only a contest of the validity of the policy, and shall not preclude the assertion at any time of defenses based upon provisions in the policy which exclude or restrict coverage, whether or not such restrictions or exclusions are excepted in such clause.

Section 18. A new section of Subtitle 15 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) No annuity or pure endowment contract, other than reversionary annuities (also called survivorship annuities) or group annuities and except as stated herein, shall be delivered or issued for delivery in this state unless it contains in substance each of the provisions specified in Sections 19 to 24, inclusive, of Subtitle 15 of this Act. Any of such provisions not applicable to single premium annuities or single premium pure endowment contracts shall not, to that extent, be incorporated therein.

(2) This section shall not apply to contracts for deferred annuities included in, or upon the lives of beneficiaries under, life insurance policies.

Section 19. A new section of Subtitle 15 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

In an annuity or pure endowment contract, other than a reversionary, survivorship or group annuity, there shall be a provision that there shall be a period of grace of one month, but not less than thirty days, within which any stipulated payment to the insurer falling due after the first may be made, subject, at the option of the insurer, to an interest charge thereon at a rate to be specified in the contract for the number of days of grace elapsing before such payment, during which period of grace the contract shall continue in full force; but in case a claim arises under the contract on account of death prior to

expiration of the period of grace before the overdue payment to the insurer or the deferred payments of the current contract year, if any, are made, the amount of such payments, with interest on any overdue payments, may be deducted from any amount payable under the contract in settlement.

Section 20. A new section of Subtitle 15 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

If any statements, other than those relating to age, sex and identity are required as a condition to issuing an annuity or pure endowment contract, other than a reversionary, survivorship or group annuity, and subject to Section 22 of Subtitle 15 of this Act, there shall be a provision that the contract shall be incontestable after it has been in force during the lifetime of the person or of each of the persons as to whom such statements are required, for a period of two years from its date of issue, except for nonpayment of stipulated payments to the insurer; and, at the option of the insurer, such contract may also except any provisions relative to benefits in the event of disability and any provisions which grant insurance specifically against death by accident or accidental means.

Section 21. A new section of Subtitle 15 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

In an annuity or pure endowment contract, other than a reversionary, survivorship, or group annuity, there shall be a provision that the contract shall constitute the entire contract between the parties or, if a copy of the application is endorsed upon or attached to the contract when issued, a provision that the contract and the application therefor shall constitute the entire contract between the parties.

Section 22. A new section of Subtitle 15 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

In an annuity or pure endowment contract, other than a reversionary, survivorship, or group annuity, there shall be a provision that if the age or sex of the person or persons upon whose life or lives the contract is made, or of any of them has been misstated, the amount payable or benefits accruing under the contract shall be such as the stipulated payment or payments to the insurer would have purchased according to the correct

age or sex and that if the insurer shall make or has made any overpayment or overpayments on account of any such misstatement, the amount thereof with interest at the rate specified in the contract may be charged against the current or next succeeding payment or payments to be made by the insurer under the contract.

Section 23. A new section of Subtitle 15 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

If an annuity or pure endowment contract, other than a reversionary, survivorship, or group annuity, is participating, there shall be a provision that the insurer shall annually ascertain and apportion any divisible surplus accruing on the contract.

Section 24. A new section of Subtitle 15 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

In an annuity or pure endowment contract, other than a reversionary or group annuity, there shall be a provision that the contract may be reinstated at any time within one year from the default in making stipulated payments to the insurer, unless the cash surrender value has been paid, but all overdue stipulated payments and any indebtedness to the insurer on the contract shall be paid or reinstated with interest thereon at a rate specified in the contract, and in cases where applicable the insurer may also include a requirement of evidence of insurability satisfactory to the insurer.

Section 25. A new section of Subtitle 15 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) Except as stated herein, no contract for a reversionary annuity shall be delivered or issued for delivery in this state unless it contains in substance each of the following provisions:

(a) Any such reversionary annuity contract shall contain the provisions specified in Sections 19 to 23, inclusive, of Subtitle 15 of this Act, except that under Section 19 of Subtitle 15 of this Act, the insurer may at its option provide for an equitable reduction of the amount of the annuity payments in settlement of an overdue payment in lieu of providing for deduction of such payments from an amount payable upon settlement under the contract.

(b) In such reversionary annuity contracts there shall be a provision that the contract may be reinstated at any time within three years from the date of default in making stipulated payments to the insurer, upon production of evidence of insurability satisfactory to the insurer, and upon condition that all overdue payments and any indebtedness to the insurer on account of the contract be paid, or, within the limits permitted by the then cash values of the contracts, reinstated, with the interest as to both payments and indebtedness at a rate specified in the contract.

(2) This section shall not apply to group annuities or to annuities included in life insurance policies, and any of such provisions not applicable to single premium annuities shall not to that extent be incorporated therein.

Section 26. A new section of Subtitle 15 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) No policy of life insurance shall be delivered or issued for delivery in this state if it contains any of the following provisions:

(a) A provision limiting the time within which an action at law or in equity may be commenced on such a policy to less than three years after the cause of action has accrued.

(b) A provision which excludes or restricts liability for death caused in a certain specified manner or occurring while the insured has a specified status, except that a policy may contain provisions excluding or restricting coverage as specified therein in the event of death under any one or more of the following circumstances:

1. Death as a result, directly or indirectly, of war, declared or undeclared, or of action by military forces, or of any act or hazard of such war or action, or of service in the military, naval, or air forces or in civilian forces auxiliary thereto, or from any cause while a member of such military, naval, or air forces of any country at war, declared or undeclared, or of any country engaged in such military action;

2. Death as a result of aviation or any air travel or flight;

3. Death as a result of specified hazardous occupation or occupations;

4. Death while the insured is a resident outside the continental United States and Canada; or

5. Death within two years from the date of issue of the policy as a result of suicide, while sane or insane.

(2) A policy which contains any exclusion or restriction pursuant to subsection (1) (b), shall also provide that in the event of death under the circumstances to which any such exclusion or restriction is applicable, the insurer will pay an amount not less than a reserve determined according to the commissioners reserve valuation method upon the basis of the mortality table and interest rate specified in the policy for the calculation of nonforfeiture benefits (or if the policy provides for no such benefits, computed according to a mortality table and interest rate determined by the insurer and specified in the policy) with adjustment for indebtedness or dividend credit.

(3) This section shall not apply to group life insurance, health insurance, reinsurance, or annuities, or to any provision in a life insurance policy or contract supplemental thereto relating to disability benefits or to additional benefits in the event of death by accident or accidental means.

(4) Nothing contained in this section shall prohibit any provision which in the opinion of the commissioner is more favorable to the policyholder than a provision permitted by this section.

Section 27. A new section of Subtitle 15 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) A reinstated policy of life insurance or annuity contract may be contested on account of fraud or misrepresentation of facts material to the reinstatement only for the same period following reinstatement and with the same conditions and exceptions as the policy provides with respect to contestability after original issuance.

(2) When any life insurance policy or annuity contract is reinstated, such reinstated policy or contract may exclude or restrict liability to the same extent that such liability could have been or was excluded or restricted when the policy or contract was originally issued, and such exclusion or restriction shall be effective from the date of reinstatement.

Section 28. A new section of Subtitle 15 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) No life insurance policy, other than industrial life insurance, shall be delivered or issued for delivery in this state, if it contains any of the following provisions:

(a) A provision by which the policy purports to be issued or to take effect more than one year before the original application for the insurance was made.

(b) A provision for any mode of settlement at maturity of the policy of less value than the amount insured under the policy, plus dividend additions, if any, less any indebtedness to the insurer on or secured by the policy and less any premium that may by the terms of the policy be deducted.

(c) A provision to the effect that the agent soliciting the insurance is the agent of the person insured under the policy, or making the acts or representations of such agents binding upon the person so insured under the policy.

(2) No industrial life insurance policy shall be delivered or issued for delivery in this state if it contains any of the following provisions:

(a) A provision by which the insurer may deny liability under the policy for the reason that the insured has previously obtained other insurance from the same insurer.

(b) A provision giving the insurer the right to declare the policy void because the insured has had any disease or ailment, whether specified or not, or because the insured has received institutional, hospital, medical or surgical treatment or attention, except a provision which gives the insurer the right to declare the policy void, either before or after claim, if before the date of issue of the policy the insured had any one or more of such serious diseases or ailments as is specified in such provision, or if the insured has, within two years prior to the issuance of the policy, received institutional, hospital, medical or surgical treatment or attention and if the insured or claimant under the policy fails to show, by the clear preponderance of the evidence, that the specified disease or ailment, or the condition occasioning such treatment or attention, was not material to the risk.

(c) A provision giving the insurer the right to declare the

policy void because the insured has been rejected for insurance, unless such right be conditioned upon a showing by the insurer that knowledge of such rejection would have led to a refusal by the insurer to make such contract.

(3) No insurer shall provide in any policy, certificate, contract or agreement of life insurance for the payment of any insurance, indemnity or benefit in services, goods, wares or merchandise of any kind.

Section 29. A new section of Subtitle 15 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

The policies of a foreign life insurer may contain any provision which the law of the state, territory, district, or country under which the insurer is organized prescribes shall be in such policies when issued in this state, and the policies of a domestic life insurer may, when issued or delivered in any other state, territory, district, or country, contain any provisions required by the laws thereof, anything in this subtitle to the contrary notwithstanding.

Section 30. A new section of Subtitle 15 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

Sections 31 to 32, inclusive, of Subtitle 15 of this Act, shall be known as the "Standard non-forfeiture law."

Section 31. A new section of Subtitle 15 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

No policy of life insurance, except as stated in Section 36 of Subtitle 15 of this Act shall be issued or delivered in this state unless it shall contain, in substance the following provisions, or corresponding provisions which in the opinion of the commissioner are at least as favorable to the defaulting or surrendering policyholder:

(a) Paid-up nonforfeiture benefit. That, in the event of default in any premium payment, the insurer will grant, upon proper request not later than sixty days after the due date of the premium in default, a paid-up nonforfeiture benefit on a plan stipulated in the policy, effective as of such due date, of such value as may be hereinafter specified.

(b) Cash surrender value. That, upon surrender of the policy within sixty days after the due date of any premium payment in default after premiums have been paid for at least three full years in the case of ordinary insurance or five full years in the case of industrial insurance, the insurer will pay, in lieu of any paid-up nonforfeiture benefit, a cash surrender value of such amount as may be hereinafter specified.

(c) Effective date of benefit. That a specified paid-up nonforfeiture benefit shall become effective as specified in the policy unless the person entitled to make such election elects another available option not later than sixty days after the due date of the premium in default.

(d) Cash surrender value if policy paid up. That, if the policy shall have become paid up by completion of all premium payments or if it is continued under any paid-up nonforfeiture benefit which became effective on or after the third policy anniversary in the case of ordinary insurance or the fifth policy anniversary in the case of industrial insurance, the insurer will pay, upon surrender of the policy within thirty days after any policy anniversary, a cash surrender value of such amount as may be hereinafter specified.

(e) Mortality table and interest rate used. A statement of the mortality table and interest rate used in calculating the cash surrender values and the paid-up nonforfeiture benefits available under the policy, together with a table showing the cash surrender value, if any, and paid-up nonforfeiture benefits, if any, available under the policy on each policy anniversary either during the first twenty policy years or during the term of the policy, whichever is shorter, such values and benefits to be calculated upon the assumption that there are no dividends or paid-up additions credited to the policy and that there is no indebtedness to the insurer on the policy.

(f) Method used in computing value and benefit. A statement that the cash surrender values and the paid-up nonforfeiture benefits available under the policy are not less than the minimum values and benefits required by or pursuant to the insurance law of the state in which the policy is delivered; an explanation of the manner in which the cash surrender values and the paid-up nonforfeiture benefits are altered by the existence

of any paid-up additions credited to the policy or any indebtedness to the insurer on the policy; if a detailed statement of the method of computation of the values and benefits shown in the policy is not stated therein, a statement that such method of computation has been filed with the insurance supervisory official of the state in which the policy is delivered; and a statement of the method to be used in calculating the cash surrender value and paid-up nonforfeiture benefit available under the policy on any policy anniversary beyond the last anniversary for which such values and benefits are consecutively shown in the policy.

(2) Any of the foregoing provisions or portions thereof not applicable by reason of the plan of insurance may, to the extent inapplicable, be omitted from the policy.

(3) The insurer shall reserve the right to defer the payment of any cash surrender value for a period of six months after demand therefor with surrender of the policy.

Section 32. A new section of Subtitle 15 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

Any cash surrender value available under the policy in the event of default in a premium payment due on any policy anniversary, whether or not required by Section 31 of Subtitle 15 of this Act, shall be an amount not less than the excess, if any, of the present value, on such anniversary, of the future guaranteed benefits which would have been provided for by the policy, including any existing paid-up additions, if there had been no default, over the sum of:

(1) Present value of adjusted premiums. The then present sent value of the adjusted premiums as defined in Section 34 of Subtitle 15 of this Act, corresponding to premiums which would have fallen due on and after such anniversary, and

(2) Amount of indebtedness. The amount of any indebtedness to the insurer on the policy. Any cash surrender value available within thirty days after any policy anniversary under any policy paid up by completion of all premium payments or any policy continued under any paid-up nonforfeiture benefit, whether or not required by Section 31 of Subtitle 15 of this Act shall be an amount not less than the present value, on such anni-

versary, of the future guaranteed benefits provided for by the policy, including any existing paid-up additions, decreased by any indebtedness to the insurer on the policy.

Section 33. A new section of Subtitle 15 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

Any paid-up nonforfeiture benefit available under the policy in the event of default in a premium payment due on any policy anniversary shall be such that its present value as of such anniversary shall be at least equal to the cash surrender value then provided for by the policy or, if none is provided for, that cash surrender value which would have been required by Sections 31 to 36, inclusive, of Subtitle 15 of this Act in the absence of the condition that premiums shall have been paid for at least a specified period.

Section 34. A new section of Subtitle 15 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) How calculated. Except as provided in subsection (4), the adjusted premiums for any policy shall be calculated on an annual basis and shall be such uniform percentage of the respective premiums specified in the policy for each policy year, excluding any extra premiums charged because of impairment or special hazards, that the present value, at the date of issue of the policy, of all such adjusted premiums shall be equal to the sum of:

(a) The then present value of the future guaranteed benefits provided for by the policy;

(b) Two percent of the amount of insurance, if the insurance be uniform in amount, or of the equivalent uniform amount, as hereinafter defined, if the amount of insurance varies with duration of the policy;

(c) Forty percent of the adjusted premium for the first policy year; and

(d) Twenty-five percent of either the adjusted premium for the first policy year or the adjusted premium for a whole life policy of the same uniform or equivalent uniform amount with uniform premiums for the whole of life issued at the same age for the same amount of insurance, whichever is less.

(2) In applying the percentages specified in subsections (1)(c) and (d), no adjusted premium shall be deemed to exceed 4 percent of the amount of insurance or uniform amount equivalent thereto. Whenever the plan or term of a policy has been changed, either by request of the insured or automatically in accordance with the provisions of the policy, the date of issue of the changed policy for the purposes of determining a nonforfeiture benefit or cash surrender value shall be the date as of which the age of the insured is determined for the purposes of the changed policy. The date of issue of a policy for the purpose of this section shall be the date as of which the rated age of the insured is determined.

(3) In the case of a policy providing an amount of insurance varying with duration of the policy, the equivalent uniform amount thereof for the purpose of this section shall be deemed to be the uniform amount of insurance provided by an otherwise similar policy, containing the same endowment benefit or benefits, if any, issued at the same age and for the same term, the amount of which does not vary with duration and the benefits under which have the same present value at the date of issue as the benefits under the policy; provided that in the case of a policy providing a varying amount of insurance issued on the life of a child under age ten, the equivalent uniform amount may be computed as though the amount of insurance provided by the policy prior to the attainment of age ten were the amount provided by such policy at age ten.

(4) The adjusted premiums for any policy providing term insurance benefits by rider or supplemental policy provision shall be equal to:

(a) The adjusted premiums for an otherwise similar policy issued at the same age without such term insurance benefits, increased, during the period for which premiums for such term insurance benefits are payable, by

(b) The adjusted premiums for such term insurance, items (a) and (b) of this subsection being calculated separately and as specified in subsections (1), (2) and (3), except that, for the purposes of paragraphs (b), (c), and (d) of subsection (1), the amount of insurance or equivalent uniform amount of insurance used in the calculation of the adjusted premiums referred to in

(b) of this subsection shall be equal to the excess of the corresponding amount determined for the entire policy over the amount used in the calculation of the adjusted premiums in (a) of this subsection.

(5) All adjusted premiums and present values referred to in Sections 31 to 36, inclusive, of Subtitle 15 of this Act, shall for all policies of ordinary insurance be calculated on the basis of the Commissioners 1958 Standard Ordinary Mortality Table, provided that for any category of ordinary insurance issued on female risks, adjusted premiums and present values may be calculated according to an age not more than three years younger than the actual age of the insured, and such calculations for all policies of industrial insurance shall be made on the basis of the Commissioners 1961 Standard Industrial Mortality Table. All calculations shall be made on the basis of the rate of interest, not exceeding 4 percent per year, specified in the policy for calculating cash surrender values and paid-up nonforfeiture benefits. In calculating the present value of any paid-up term insurance with accompanying pure endowment, if any, offered as a nonforfeiture benefit for ordinary insurance, the rates of mortality assumed may not be more than those shown in the Commissioners 1958 Extended Term Insurance Table and for industrial insurance the rates of mortality may not be more than those shown in the Commissioners 1961 Industrial Extended Term Insurance Table. For insurance issued on a substandard basis, the calculation of any such adjusted premiums and present values may be based on such other table of mortality as may be specified by the insurer and approved by the commissioner.

Section 35. A new section of Subtitle 15 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) Any cash surrender value and any paid-up nonforfeiture benefit, available under the policy in the event of default in a premium payment due at any time other than on the policy anniversary, shall be calculated with allowance for the lapse of time and the payment of fractional premiums beyond the last preceding policy anniversary. All values referred to in Sections 32 to 34, inclusive, of Subtitle 15 of this Act, may be calculated upon the assumption that any death benefit is payable at the end of the policy year of death. The net value of any paid-up

additions, other than paid-up term additions, shall be not less than the dividends used to provide such additions. Notwithstanding Section 33 of Subtitle 15 of this Act, additional benefits payable:

(a) Death or accident. In the event of death or dismemberment by accident or accidental means;

(b) Total disability. In the event of total and permanent disability;

(c) Reversionary annuity. As reversionary annuity or deferred reversionary annuity benefits;

(d) Term insurance benefits. As term insurance benefits provided by a rider or supplemental policy provision to which, if issued as a separate policy, Sections 31 to 36, inclusive, of Subtitle 15 of this Act, would not apply;

(e) Child term insurance benefits. As term insurance on the life of a child or on the lives of children provided in a policy on the life of a parent of the child, if such term insurance expires before the child's age is twenty-six, and is uniform in amount after the child's age is one;

(f) Other policy benefits. As other policy benefits additional to life insurance and endowment benefits; and premiums for all such additional benefits, shall be disregarded in ascertaining cash surrender values and nonforfeiture benefits required by Sections 31 to 36, inclusive, of Subtitle 15 of this Act, and no such additional benefits shall be required to be included in any paid-up nonforfeiture benefits.

(2) Contrary provisions. Any condition or stipulation in the policy of insurance or elsewhere contrary to the provisions of this section, and any waiver of such provisions by the insured, shall be void.

Section 36. A new section of Subtitle 15 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

Sections 31 to 35, inclusive, of Subtitle 15 of this Act, shall not apply to any reinsurance, group insurance, pure endowment, annuity or reversionary annuity contract, nor to any term policy of uniform amount, or renewal thereof, of fifteen years or less expiring before age sixty-six, for which uniform premiums are payable during the entire term of the policy, nor to any term policy of

decreasing amount on which each adjusted premium, calculated as specified in Section 35 of Subtitle 15 of this Act is less than the adjusted premium so calculated, on such fifteen-year term policy issued at the same age and for the same initial amount of insurance, nor to any policy which shall be delivered outside this state through an agent or other representative of the insurer issuing the policy.

Section 37. A new section of Subtitle 15 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

Upon the death of the insured and except as is otherwise expressly provided by the policy, a life insurer may pay to the surviving spouse, children, beneficiary, or other person other than the insured's estate, appearing to the insurer to be equitably entitled thereto, sums then held by it and comprising:

(1) Premiums paid in advance but not due prior to such death, or funds held on deposit for the payment of future premiums.

(2) Dividends theretofore declared on the policy and held by the insurer under the insured's option.

(3) Dividends becoming payable on or after the death of the insured.

Section 38. A new section of Subtitle 15 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

A life insurer may issue policies on either the participating basis or the nonparticipating basis, or on both basis, if the right or absence of right of participation is reasonably related to the premium charged and the insurer is otherwise not in violation of Sections 8 or 9 of Subtitle 12 of this Act.

Section 39. A new section of Subtitle 15 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) A domestic life insurer may establish one or more separate accounts, and may allocate thereto, in accordance with the terms of a written contract or agreement, any amounts paid to the insurer in connection with a pension, retirement or profit sharing plan or an annuity which are to be applied to provide benefits payable in fixed or in variable dollar amounts or in both.

(2) The income, if any, and gains and losses, realized or unrealized, on each such account shall be credited to or charged against the amounts allocated to the account in accordance with the agreement, without regard to other income, gains or losses of the insurer.

(3) Assets allocated to a separate account shall be valued at their market value on the date of valuation, or if there is no readily available market, then in accordance with the terms of the applicable contract or agreement; except, that the portion of the assets of such separate account at least equal to the insurer's reserve liability with regard to the guaranteed benefits and funds referred to in subsection (1), if any, shall be valued in accordance with rules otherwise applicable to the insurer's assets.

(4) If the agreement provides for payment of benefits in variable amounts, the contract shall contain a statement of the essential features of the procedure to be followed by the insurer in determining the dollar amount of such variable benefits. Any such contract and any certificate issued thereunder shall state that such dollar amount may decrease or increase and shall contain on its first page a statement that the benefits thereunder are on a variable basis.

(5) No domestic life insurer, and no other authorized life insurer, shall be authorized to deliver within this state any such contract or agreement providing benefits in variable amounts until the insurer has satisfied the commissioner that its condition or methods of operation in connection with the issuance of such contracts or agreements will not render its operation hazardous to the public or its policyholders in this state. In determining the qualification of an insurer requesting such authority, the commissioner shall consider, among other things:

(a) The history and financial condition of the insurer;

(b) The character, responsibility and general fitness of the officers and directors of the insurer; and

(c) In the case of an insurer other than a domestic insurer, whether the statutes or regulations of the jurisdiction of its incorporation provide a degree of protection to policyholders and the public which is substantially equal to that provided by this section and the rules and regulations issued thereunder.

(6) Amounts allocated by domestic life insurers to separate accounts in the exercise of the power granted by this section shall be owned by the insurer and the insurer shall not be, or hold itself to be, a trustee, in respect to such amounts.

(7) The commisisoner shall have sole authority to regulate the issuance and sale of such agreements, and to make rules and regulations for the effectuation of this section.

Section 40. A new section of Subtitle 15 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) No life insurer shall hereafter deliver or issue for delivery in this state:

(a) As part of or in combination with any life insurance, endowment or annuity contract, any agreement or plan, additional to the rights, dividends, and benefits arising out of any such contract, which provides for the accumulation of profits over a period of years and for payment of all or any part of such accumulated profits only to members or policyholders of a designated group or class who continue as members or policyholders until the end of a specified or ascertainable period of years.

(b) Any "registered" policy; that is, any policy purporting to be "registered" or otherwise specially recorded, with any agency of the State of Kentucky or of any other state, or with any bank, trust company, escrow company, or other institution other than the insurer; or purporting that any reserves, assets or deposits are held, or will be so held, for the special benefit or protection of the holder of such policy, by or through any such agency or institution.

(c) Any policy or contract under which any part of the premium or of funds or values arising from the policy or contract or from investment of reserves, or from mortality savings, lapses or surrenders, in excess of the normal reserves or amounts required to pay death, endowment, and nonforfeiture benefits in respective amounts as specified in or pursuant to the policy or contract, are on a basis not involving insurance or life contingency features; 1. to be placed in special funds or segregated accounts or special designated places or 2. to be invested in specially designated investments or types thereof, and the funds or earnings thereon to be divided among the holders of

such policies or contracts, or their beneficiaries or assignees. This provision does not apply as to any contract authorized under Section 39 of Subtitle 15 of this Act.

(d) Any policy providing benefits or values for surviving or continuing policyholders contingent upon the lapse or termination of the policies of other policyholders, whether by death or otherwise.

(e) Any policy containing or referring to one or more of the following provisions or statements:

1. Investment returns or profit-sharing, other than as a participation in the divisible surplus of the insurer under a regular participation provision as provided for in Section 10 of Subtitle 15 of this Act.

2. Special treatment in the determination of any dividend that may be paid as to such policy.

3. Reference to premiums as "deposits."

4. Relating policyholder interest or returns to those of stockholders.

5. That the policyholder as a member of a select group will be entitled to extra benefits or extra dividends not available to policyholders generally.

(2) This section shall not be deemed to prohibit the provision, payment, allowance or apportionment of regular annual dividends or "savings" under regular participating forms of policies or contracts.

SUBTITLE 16

Section 1. A new section of Subtitle 16 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

This subtitle applies only to group life insurance and may be known and cited as the "group life insurance law."

Section 2. A new section of Subtitle 16 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) No contract of life insurance shall be delivered in

this state insuring the lives of more than one individual unless to one of the groups as provided for in Sections 3 to 8, inclusive, of Subtitle 16 of this Act, and unless in compliance with the other provisions of those sections.

(2) Subsection (1) shall not apply to contracts of life insurance:

(a) Insuring only individuals related by marriage, by blood, or by legal adoption;

(b) Insuring only individuals having a common interest through ownership of a business enterprise, or of a substantial legal interest or equity therein, and who are actively engaged in the management thereof; or

(c) Insuring only individuals otherwise having an insurable interest in each other's lives.

Section 3. A new section of Subtitle 15 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

The lives of a group of individuals may be insured under a policy issued to an employer, or to the trustees of a fund established by an employer, which employer or trustees shall be deemed the policyholder, to insure employes of the employer for the benefit of persons other than the employer, subject to the following requirements:

(1) The employes eligible for insurance under the policy shall be all of the employes of the employer, or all of any class or classes thereof determined by conditions pertaining to their employment. The policy may provide that the term "employes" shall include the employes of one or more subsidiary corporations, and the employes, individual proprietors, and partners of one or more affiliated corporations, proprietors or partnerships if the business of the employer and of such affiliated corporations, proprietors or partnerships is under common control through stock ownership, contract or otherwise. The policy may provide that the term "employes" shall include the individual proprietor or partners if the employer is an individual proprietor or a partnership. The policy may provide that the term "employes" shall include retired employes. No director of a corporate employer shall be eligible for insurance under the policy unless such person is otherwise eligible as a bona fide

employe of the corporation by performing services other than the usual duties of a director. No individual proprietor or partner shall be eligible for insurance under the policy unless he is actively engaged in and devotes a substantial part of his time to the conduct of the business of the proprietor or partnership. A policy issued to insure the employes of a public body may provide that the term "employes" shall include elected or appointed officials.

(2) The premium for the policy shall be paid by the policyholder, either wholly from the employer's funds or funds contributed by him, or partly from such funds and partly from funds contributed by the insured employes; except that the entire premium may be paid from funds contributed by the insured employes if the amount of insurance does not exceed $1,000 on the life of any employe. A policy on which part of the premium is to be derived from funds contributed by the insured employes may be placed in force only if at least 75 percent of the then eligible employes, excluding any as to whom evidence of individual insurability is not satisfactory to the insurer, elect to make the required contributions. A policy on which no part of the premium is to be derived from funds contributed by the insured employes must insure all eligible employes, or all except any as to whom evidence of individual insurability is not satisfactory to the insurer.

(3) The policy must cover at least ten employes at date of issue.

(4) The amounts of insurance under the policy must be based upon some plan precluding individual selection either by the employes or by the employer or trustees.

Section 4. A new section of Subtitle 16 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

The lives of a group of individuals may be insured under a policy issued to a creditor, or to a trustee or agent appointed by two or more creditors, which creditors, trustee or agent shall be deemed the policyholder, to insure debtors of the creditor, subject to the following requirements:

(1) The debtors eligible for insurance under the policy shall be all of the debtors of the creditor or creditors whose in-

debtedness is repayable either (a) in installments or (b) in one sum at the end of a period not in excess of eighteen months from the initial date of debt, or all of any class or classes thereof determined by conditions pertaining to the indebtedness or to the purchase giving rise to the indebtedness. The policy may provide that the term "debtors" shall include the debtors of one or more subsidiary corporations, and the debtors of one or more affiliated corporations, proprietors or partnerships if the business of the policyholder and of such affiliated corporations, proprietors or partnerships is under common control through stock ownership, contract or otherwise. No debtor shall be eligible unless the indebtedness constitutes an irrevocable obligation to repay which is binding upon him during his lifetime, at and from the date the insurance becomes effective upon his life.

(2) The premium for the policy shall be paid by the policyholder, either from the creditor's or creditors' funds, or from charges collected from the insured debtors, or from both. A policy on which part or all of the premium is to be derived from the collection from the insured debtors of identifiable charges not required of uninsured debtors shall not include, in the class or classes of debtors eligible for insurance, debtors under obligations outstanding at its date of issue without evidence of insurability unless at least 75 percent of the then eligible debtors elect to pay the required charges. A policy on which no part of the premium is to be derived from the collection of such identifiable charges must insure all eligible debtors, or all except any as to whom evidence of individual insurability is not satisfactory to the insurer.

(3) The policy may be issued only if the group of eligible debtors is then receiving new entrants at the rate of at least 100 persons yearly, or may reasonably be expected to receive at least 100 new entrants during the first policy year, and only if the policy reserves to the insurer the right to require evidence of individual insurability if less than 75 percent of the new entrants become insured. The policy may exclude from the classes eligible for insurance classes of debtors determined by age.

(4) The amount of the insurance on the life of any debtor shall not exceed the amount of the unpaid indebtedness at the inception of the coverage. Where the indebtedness is repayable

in one sum to the creditor or creditors, the insurance on the life of any debtor shall in no instance be in effect for a period in excess of eighteen months except that such insurance may be continued for an additional period not exceeding six months in the case of default, extension or recasting of the loan.

(5) The insurance shall be payable to the policyholder. Such payment shall reduce or extinguish the unpaid indebtedness of the debtor to the extent of such payment.

(6) Notwithstanding the provisions of this section, insurance on agricultural credit transaction commitments not exceeding two years in duration may be written up to the amount of the loan commitment on a nondecreasing or level term plan, and insurance on educational credit transaction commitments may be written up to the amount of the loan commitment less the amount of any repayments made on the loan.

Section 5. A new section of Subtitle 16 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

The lives of a group of individuals may be insured under a policy issued to the trustees of a fund established by two or more employers in the same industry or in related industries or by one or more labor unions, or by one or more employers and one or more labor unions, which trustees shall be deemed the policyholder, to insure employes of the employers or members of the unions for the benefit of persons other than the employers or the unions, subject to the following requirements:

(1) No policy may be issued to insure employes of any employer whose eligibility to participate in the fund as an employer arises out of considerations directly related to the employers' being a commercial correspondent or business client or patron of another employer, except where such other employer exercises substantial control over the business operations of the participating employers.

(2) The persons eligible for insurance shall be all of the employes of the employers or all of the members of the unions, or all of any class or classes thereof determined by conditions pertaining to their employment, or to membership in the unions, or to both. The policy may provide that the term "employes" shall include retired employes or union members, and the in-

dividual proprietor or partners if an employer is an individual proprietor or a partnership. No director of a corporate employer shall be eligible for insurance under the policy unless such person is otherwise eligible as a bona fide employe of the corporation by performing services other than the usual duties of a director. No individual proprietor or partner shall be eligible for insurance under the policy unless he is actively engaged in and devotes a substantial part of his time to the conduct of the business of the proprietor or partnership. The policy may provide that the term "employes" shall include trustees or their employes, or both, if their duties are principally connected with such trusteeship.

(3) The premium for the policy shall be paid by the trustees wholly from funds contributed by the employer or employers of the insured persons, or by the union or unions, or by both or partly from such funds and partly from funds contributed by the insured persons. A policy on which part of the premium is to be derived from funds contributed by the insured persons specifically for their insurance may be placed in force only if at least 75 percent of the then eligible persons, excluding any as to whom evidence of insurability is not satisfactory to the insurer, elect to make the required contributions. A policy on which no part of the premium is to be derived from funds contributed by the insured persons specifically for their insurance must insure all eligible persons, or all except any as to whom evidence of individual insurability is not satisfactory to the insurer.

(4) The policy must cover at date of issue at least one hundred persons; and it must cover an average of not less than three persons per employer unit unless the policy is issued to the trustees of a fund established by employers which have assumed obligations through a collective bargaining agreement and are participating in the fund either pursuant to those obligations with regard to one or more classes of their employes which are encompassed in the collective bargaining agreement or as a method of providing insurance benefits for other classes of their employes, or unless the policy is issued to the trustees of a fund established by one or more labor unions. If the fund is established by the members of an association of employers the policy may be issued only if either the participating employers

constitute at date of issue at least 60 percent of those employer members whose employes are not already covered for group life insurance or the total number of persons covered at date of issue exceeds 600; and the policy shall not require that, if a participating employer discontinues membership in the association, the insurance of his employes shall cease solely by reason of such discontinuance.

(5) The amounts of insurance under the policy must be based upon some plan precluding individual selection either by the insured persons or by the policyholder, employers or unions.

Section 6. A new section of Subtitle 16 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) As used in this section, "employes" means employes of the United States Government, or any state, or of any political subdivision or instrumentality of any of them, together with elective or appointed officers.

(2) The lives of a group of individuals may be insured under a policy issued to any department or agency of the State of Kentucky and its political subdivisions, state college or university, and school districts or to an association of public employes formed for purposes other than obtaining insurance and having, when the policy is placed in force, a membership in the classes eligible for insurance of not less than 75 percent of the number of employes eligible for membership in such classes, which association or departmental or agency head shall be deemed the policyholder, to insure members of such association or public employes for the benefit of persons other than the departmental or agency head, the association or any of its officials, subject to the following requirements:

(a) The persons eligible for insurance under the policy shall be all members of the association or employes of the department or agency, or all of any class or classes thereof determined by conditions pertaining to their employment, or to membership in the association, or both. The policy may provide that "employes" includes retired employes.

(b) The premium for the policy shall be paid by the policyholder, either from the association's own funds, or from

charges collected from the insured members or employes specifically for the insurance, or from both, or as may otherwise be authorized by existing or future legislation. Any charges collected from the insured members or employes specifically for the insurance, and the dues of the association if they include the cost of insurance, may be collected through deductions by the employer from salaries of the members or employes. Such deductions from salary may be paid by the employer to the association or directly to the insurer. No policy may be placed in force unless at least 75 percent of the then-eligible members of the association or employes of the department or agency, excluding any as to whom evidence of individual insurability is not satisfactory to the insurer, have elected to be covered.

(c) Charges collected from the insured members or employes specifically for the insurance, and the dues of the association if they include the cost of insurance, shall be determined according to each attained age or in not less than four reasonably spaced attained age groups. In no event shall the rate of such dues or charges be level for all members or employes regardless of attained age.

(d) The policy must cover at least ten persons at the date of issue.

(e) The amounts of insurance under the policy must be based upon some plan precluding individual selection either by the members, employes or by the association.

(3) This section does not preclude the insuring of public employes under any other applicable provision of this subtitle.

Section 7. A new section of Subtitle 16 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) A policy may be issued to an association of employers or an association (other than an association of public employes to whom Section 6 of Subtitle 16 of this Act is applicable) whose members are in the same industry, occupation or profession, and which has legally been in existence for one or more years and which has a constitution and bylaws and which has been organized and is maintained in good faith for purposes other than that of obtaining insurance, insuring at least twenty-five members of the association for the benefit of persons other than the association or its officers or trustees as such.

(2) Charges collected from the insured members or employes specifically for the insurance, and the dues of the association if they include the cost of insurance, shall be determined according to each attained age or in not less than four reasonably spaced attained age groups. In no event shall the rate of such dues or charges be level for all members or employes regardless of attained age.

Section 8. A new section of Subtitle 16 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

The lives of a group of individuals may be insured under a policy issued to a credit union, which shall be deemed the policyholder, to insure eligible members of the credit union for the benefit of persons other than the credit union or its officials, subject to the following requirements:

(1) The members eligible for insurance under the policy shall be all of the members of the credit union, or all except any as to whom evidence of individual insurability is not satisfactory to the insurer, or all of any class or classes thereof determined by conditions pertaining to their age or membership in the credit union or both.

(2) The premium for the policy shall be paid by the policyholder, either wholly from the credit union's funds, or partly from such funds and partly from funds contributed by the insured members specifically for their insurance. No policy may be issued for which the entire premium is to be derived from funds contributed by the insured members specifically for their insurance. A policy on which part of the premium is to be derived from funds contributed by the insured members specifically for their insurance may be placed in force only if at least 75 percent of the then eligible members, excluding any as to whom evidence of individual insurability is not satisfactory to the insurer, elect to make the required contributions. A policy on which no part of the premium is to be derived from funds contributed by the insured members specifically for their insurance must insure all eligible members, or all except any as to whom evidence of individual insurability is not satisfactory to the insurer.

(3) The policy must cover at least twenty-five members at date of issue.

(4) The amounts of insurance under the policy must be based upon some plan precluding individual selection either by the insured members or by the policyholder.

(5) The amount of insurance under the policy shall not exceed the amount of the total shares and deposits of the member in or with the credit union.

Section 9. A new section of Subtitle 16 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

No policy of group life insurance may be issued to an employer or employers, or a labor union or to the trustees of a fund established in whole or in part by an employer or employers, or a labor union, which provides term insurance on any person which, together with any other term insurance under any group life insurance policy or policies issued to the same employer or employers, or to the same labor union, or to the trustees of such fund or funds, exceeds $25,000, unless 200 percent of the annual compensation of such person from his employer or employers exceeds $25,000, in which event all such term insurance shall not exceed 200 percent of such annual compensation.

Section 10. A new section of Subtitle 16 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

No policy of group life insurance shall be delivered in this state unless it contains in substance the standard provisions as required by Sections 11 to 20, inclusive, of Subtitle 16 of this Act, or provisions which in the opinion of the commissioner are more favorable to the individuals insured, or at least as favorable to such individuals and more favorable to the policyholders; except, that:

(1) Provisions set forth in Sections 16 to 20, inclusive, of Subtitle 16 of this Act, shall not apply to policies issued to a creditor to insure its debtors.

(2) If the group life insurance policy is on a plan of insurance other than the term plan, it shall contain a nonforfeiture provision or provisions which in the opinion of the commissioner is or are equitable to the insured persons and to the policyholder, but such nonforfeiture benefits are not required to be the same as those required for individual life insurance policies.

(3) The standard provisions required for individual life insurance policies shall not apply to group life insurance policies.

Section 11. A new section of Subtitle 16 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

In all group life policies there shall be a provision that the policyholder is entitled to a grace period of thirty-one days for the payment of any premium due except the first, during which grace period the death benefit coverage shall continue in force, unless the policyholder has given the insurer written notice of discontinuance in advance of the date of discontinuance and in accordance with the terms of the policy. The policy may provide that the policyholder shall be liable to the insurer for the payment of a pro rata premium for the time the policy was in force during such grace period.

Section 12. A new section of Subtitle 16 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

There shall be a provision that the validity of the policy shall not be contested, except for nonpayment of premiums, after it has been in force for two years from its date of issue; and that no statement made by an individual insured under the policy relating to his insurability shall be used in contesting the validity of the insurance with respect to which such statement was made after such insurance has been in force prior to the contest for a period of two years during such individual's lifetime nor unless it is contained in a written instrument signed by him.

Section 13. A new section of Subtitle 16 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

There shall be a provision that a copy of the application, if any, of the policyholder shall be attached to the policy when issued; that all statements made by the policyholder or by the persons insured shall be deemed representations and not warranties; and that no statement made by any person insured shall be used in any contest unless a copy of the instrument containing the statement is or has been furnished to such person or to his beneficiary.

Section 14. A new section of Subtitle 16 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

There shall be a provision setting forth the conditions, if any, under which the insurer reserves the right to require a person eligible for insurance to furnish evidence of individual insurability satisfactory to the insurer as a condition to part or all of his coverage.

Section 15. A new section of Subtitle 16 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

There shall be a provision specifying an equitable adjustment of premiums or of benefits or of both to be made in the event the age of a person insured has been misstated, such provision to contain a clear statement of the method of adjustment to be used.

Section 16. A new section of Subtitle 16 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

There shall be a provision that any sum becoming due by reason of the death of the individual insured shall be payable to the beneficiary designated by such individual, subject to the provisions of the policy in the event there is no designated beneficiary, as to all or any part of such sum, living at the death of the individual insured and subject to any right reserved by the insurer in the policy and set forth in the certificate to pay, at its option, a part of such sum not exceeding $500 to any person appearing to the insurer to be equitably entitled thereto by reason of having incurred funeral or other expenses incident to the last illness or death of the individual insured.

Section 17. A new section of Subtitle 16 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

The group life policy shall contain a provision that the insurer will issue to the policyholder, for delivery to each person insured an individual certificate, setting forth a statement as to the insurance protection to which he is entitled to whom the insurance benefits are payable and the rights and conditions set forth in Sections 18 to 20, inclusive, of Subtitle 16 of this Act.

Section 18. A new section of Subtitle 16 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

There shall be a provision that if the insurance, or any portion of it, on an individual covered under the policy, ceases because of termination of employment or of membership in the class or classes eligible for coverage under the policy, such individual shall be entitled to have issued to him by the insurer, without evidence of insurability, an individual policy of life insurance without disability or other supplementary benefits, provided application for the individual policy shall be made, and the first premium paid to the insurer, within thirty-one days after such termination, and provided further that:

(1) The individual policy shall, at the option of such individual, be on any one of the forms, except term insurance, then customarily issued by the insurer at the age and for the amount applied for;

(2) The individual policy shall be in an amount not in excess of the amount of life insurance which ceases because of such termination less, in the case of a person whose membership in the class or classes eligible for coverage terminates but who continues in employment in another class, the amount of any life insurance for which such person is or becomes eligible within thirty-one days after such termination under any other group policy; provided that any amount of insurance which has matured on or before the date of such termination as an endowment payable to the individual insured, whether in one sum or in installments or in the form of an annuity, shall not, for the purpose of this section, be included in the amount which is considered to cease because of such termination; and

(3) The premium on the individual policy shall be at the insurer's then customary rate applicable to the form and amount of the individual policy, to the class of risk to which such individual then belongs, and to his age attained on the effective date of the individual policy.

Section 19. A new section of Subtitle 16 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

There shall be a provision that if the group policy terminates or is amended so as to terminate the insurance of any class of in-

sured individuals, every individual insured thereunder at the date of such termination, whose insurance terminates and who has been so insured for at least five years prior to such termination date shall be entitled to have issued to him by the insurer an individual policy of life insurance, subject to the same conditions and limitations as are provided in Section 18 of Subtitle 16 of this Act, except that the group policy may provide that the amount of such individual policy shall not exceed the smaller of:

(1) The amount of the individual's life insurance protection ceasing because of the termination or amendment of the group policy, less the amount of any life insurance for which he is or becomes eligible under any group policy issued or reinstated by the same or another insurer within thirty-one days of such termination; and

(2) $2,000.

Section 20. A new section of Subtitle 16 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

There shall be a provision that if a person insured under the group policy dies during the period within which he would have been entitled to have an individual policy issued to him in accordance with Sections 18 and 19 of Subtitle 16 of this Act, and before such an individual policy shall have become effective, the amount of life insurance which he would have been entitled to have issued to him under such individual policy shall be payable as a claim under the group policy, whether or not application for the individual policy or the payment of the first premium therefor has been made.

Section 21. A new section of Subtitle 16 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

A policy issued to a creditor to insure debtors of such creditor shall contain a provision that the insurer will furnish to the policyholder for delivery to each debtor insured under the policy a form which will contain a statement that the life of the debtor is insured under the policy and that any death benefit paid thereunder by reason of his death shall be applied to reduce or extinguish the indebtedness.

Section 22. A new section of Subtitle 16 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

If a policy dividend is hereafter declared or a reduction in rate is hereafter made or continued for the first or any subsequent year of insurance under any policy of group life insurance heretofore or hereafter issued to any policyholder, the excess, if any, of the aggregate dividends or rate reductions under such policy and all other group insurance policies of the policyholder over the aggregate expenditure for insurance under such policies made from funds contributed by the policyholder, or by an employer of insured persons, or by a union or association to which the insured persons belong, including expenditures made in connection with administration of such policies, shall be applied by the policyholder for the sole benefit of insured employes or members.

SUBTITLE 17

Section 1. A new section of Subtitle 17 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

This subtitle may be cited as the "uniform health policy provision law."

Section 2. A new section of Subtitle 17 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

Nothing in this subtitle shall apply to or affect:

(1) Any policy of liability or workmen's compensation insurance with or without supplementary expense coverage therein.

(2) Any group or blanket policy.

(3) Life insurance, endowment or annuity contracts, or contracts supplemental thereto which contain only such provisions relating to health insurance as:

(a) Provide additional benefits in case of death or dismemberment or loss of sight by accident or accidental means, or

(b) Operate to safeguard such contracts against lapse, or to give a special surrender value or special benefit or an annuity in the event that the insured or annuitant becomes totally and

permanently disabled, as defined by the contract or supplemental contract.

(4) Reinsurance.

(5) Any contract made or issued prior to the effective date of this code, together with any extensions, renewals, reinstatements or modifications thereof or amendments thereto, whenever made.

Section 3. A new section of Subtitle 17 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

No policy of health insurance shall be delivered or issued for delivery to any person in this state unless it otherwise complies with this title, and complies with the following:

(1) The entire money and other considerations therefor shall be expressed therein;

(2) The time when the insurance takes effect and terminates shall be expressed therein;

(3) It shall purport to insure only one person, except that a policy may insure, originally or by subsequent amendment, upon the application of an adult member of a family, who shall be deemed the policyholder, any two or more eligible members of that family, including husband, wife, dependent children or any children under a specified age which shall not exceed nineteen years and any other person dependent upon the policyholder as provided pursuant to Section 31 of Subtitle 17 of this Act.

(4) The style, arrangement and overall appearance of the policy shall give no undue prominence to any portion of the text, and every printed portion of the text of the policy and of any endorsements or attached papers shall be plainly printed in light-faced type of a style in general use, the size of which shall be uniform and not less than ten-point with a lower case unspaced alphabet length not less than one hundred and twenty-point (the "text" shall include all printed matter except the name and address of the insurer, name on title of the policy, the brief description, if any, and captions and subcaptions);

(5) The exceptions and reductions of indemnity shall be set forth in the policy and, other than those contained in Sections 5 to 29, inclusive, of Subtitle 17 of this Act, shall be printed, at

the insurer's option, either included with the benefit provision to which they apply, or under an appropriate caption such as "Exceptions," or "Exceptions and Reductions," except that if an exception or reduction specifically applies only to a particular benefit of the policy, a statement of such exception or reduction shall be included with the benefit provision to which it applies;

(6) Each such form, including riders and endorsements, shall be identified by a form number in the lower left-hand corner of the first page thereof; and

(7) The policy shall contain no provision purporting to make any portion of the charter, rules, constitution or bylaws of the insurer a part of the policy unless such portion is set forth in full in the policy, except in the case of the incorporation of, or reference to, a statement of rates or classification of risks, or short-rate table filed with the commissioner.

Section 4. A new section of Subtitle 17 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) Except as provided in subsection (2), each such policy delivered or issued for delivery to any person in this state shall contain the provisions specified in Sections 5 to 16, inclusive of Subtitle 17 of this Act, in the words in which the same appear; except, that the insurer may, at its option, substitute for one or more of such provisions corresponding provisions of different wording approved by the commissioner which are in each instance not less favorable in any respect to the insured or the beneficiary. Each such provision shall be preceded individually by the applicable caption shown, or, at the option of the insurer, by such appropriate individual or group captions or sub-captions as the commissioner may approve.

(2) If any such provision is in whole or in part inapplicable to or inconsistent with the coverage provided by a particular form of policy, the insurer, with the approval of the commissioner, shall omit from such policy and inapplicable provision or part of a provision, and shall modify any inconsistent provision or part of a provision in such manner as to make the provision as contained in the policy consistent with the coverage provided by the policy.

Section 5. A new section of Subtitle 17 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

There shall be a provision as follows:

"ENTIRE CONTRACT; CHANGES: This policy, including the endorsements and the attached papers, if any, constitutes the entire contract of insurance. No change in this policy shall be valid until approved by an executive officer of the insurer and unless such approval be endorsed hereon or attached hereto. No agent has authority to change this policy or to waive any of its provisions."

Section 6. A new section of Subtitle 17 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

There shall be a provision as follows:

"TIME LIMIT ON CERTAIN DEFENSES: (a) After three years from the date of issue of this policy no misstatements except fraudulent misstatements, made by the applicant in the application for such policy shall be used to void the policy or to deny a claim for loss incurred or disability (as defined in the policy) commencing after the expiration of such three-year period."

(The foregoing policy provision shall not be so construed as to affect any legal requirement for avoidance of a policy or denial of a claim during such initial three-year period, nor to limit the application of Sections 19 to 23, inclusive of Subtitle 17 of this Act, in the event of misstatement with respect to age or occupation or other insurance.)

A policy which the insured has the right to continue in force subject to its terms by the timely payment of premium (a) until at least age fifty or (b) in the case of a policy issued after age forty-four, for at least five years from its date of issue, may contain in lieu of the foregoing the following provision, from which the clause in parentheses may be omitted at the insurer's option, under the caption "INCONTESTABLE":

"After the policy has been in force for a period of three years during the lifetime of the insured (excluding any period during which the insured is disabled,) it shall become incontestable as to the statements contained in the application."

(b) No claim for loss incurred or disability (as defined in the policy) commencing after two years from the date of issue of this policy, shall be reduced or denied on the ground that a disease or physical condition not excluded from coverage by name or specific description effective on the date of loss had existed prior to the effective date of coverage of this policy.

Section 7. A new section of Subtitle 17 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) There shall be a provision as follows:

"GRACE PERIOD: A grace period of _____ (insert a number not less than "7" for weekly premium policies, "10" for monthly premium policies, and "31" for all other policies) days will be granted for the payment of each premium falling due after the first premium, during which grace period the policy shall continue in force."

(2) A policy in which the insurer reserves the right to refuse any renewal shall have, at the beginning of the above provision: "Unless not less than five days prior to the premium due date the insurer has delivered to the insured, or has mailed to his last address as shown by the records of the insurer, written notice of its intention not to renew this policy beyond the period for which the premium has been accepted."

Section 8. A new section of Subtitle 17 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) There shall be a provision as follows:

"REINSTATEMENT: If any renewal premium be not paid within the time granted the insured for payment, a subsequent acceptance of premium by the insurer or by any agent duly authorized by the insurer to accept such premium, without requiring in connection therewith an application for reinstatement, shall reinstate the policy: Provided, however, that if the insurer or such agent requires an application for reinstatement and issues a conditional receipt for the premium tendered, the policy will be reinstated upon approval of such application by the insurer or, lacking such approval, upon the forty-fifth day following the date of such conditional receipt unless the insurer has previously notified the insured in writing of its disapproval of such applica-

tion. The reinstated policy shall cover only loss resulting from such accidental injury as may be sustained after the date of reinstatement and loss due to such sickness as may begin more than ten days after such date. In all other respects the insured and insurer shall have the same rights thereunder as they had under the policy immediately before the due date of the defaulted premium, subject to any provisions endorsed hereon or attached hereto in connection with the reinstatement. Any premium accepted in connection with a reinstatement shall be applied to a period for which premium has not been previously paid, but not to any period more than sixty days prior to the date of reinstatement."

(2) The last sentence of the provision contained in subsection (1) may be omitted from any policy which the insured has the right to continue in force subject to its terms by the timely payment of premiums (a) until at least age fifty or, (b) in the case of a policy issued after age forty-four, for at least five years from its date of issue.

Section 9. A new section of Subtitle 17 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) There shall be a provision as follows:

"NOTICE OF CLAIM: Written notice of claim must be given to the insurer within sixty days after the occurrence or commencement of any loss covered by the policy, or as soon thereafter as is reasonably possible. Notice given by or on behalf of the insured or the beneficiary to the insurer at _____ (insert the location of such office as the insurer may designate for the purpose), or to any authorized agent of the insurer, with information sufficient to identify the insured, shall be deemed notice to the insurer."

(2) In a policy providing a loss-of-time benefit which may be payable for at least two years, an insurer may at its option insert the following between the first and second sentences of the provision contained in subsection (1) of this section:

"Subject to the qualifications set forth below, if the insured suffers loss of time on account of disability for which indemnity may be payable for at least two years, he shall at least once in every six months after having given notice of claim, give to

the insurer notice of continuance of said disability, except in the event of legal incapacity. The period of six months following any filing of proof by the insured or any payment by the insurer on account of such claim or any denial of liability in whole or in part by the insurer shall be excluded in applying this provision. Delay in the giving of such notice shall not impair the insured's right to any indemnity which would otherwise have accrued during the period of six months preceding the date on which such notice is actually given."

Section 10. A new section of Subtitle 17 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

There shall be a provision as follows:

"CLAIM FORMS: The insurer, upon receipt of a notice of claim, will furnish to the claimant such forms as are usually furnished by it for filing proofs of loss. If such forms are not furnished within fifteen days after the giving of such notice the claimant shall be deemed to have complied with the requirements of this policy as to proof of loss upon submitting, within the time fixed in the policy for filing proofs of loss, written proof covering the occurrence, the character and the extent of the loss for which claim is made."

Section 11. A new section of Subtitle 17 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

There shall be a provision as follows:

"PROOFS OF LOSS: Written proof of loss must be furnished to the insurer at its said office in case of claim for loss for which this policy provides any periodic payment contingent upon continuing loss within ninety days after the termination of the period for which the insurer is liable and in case of claim for any other loss within ninety days after the date of such loss. Failure to furnish such proof within the time required shall not invalidate nor reduce any claim if it was not reasonably possible to give proof within such time, provided such proof is furnished as soon as reasonably possible and in no event, except in the absence of legal capacity, later than one year from the time proof is otherwise required."

Section 12. A new section of Subtitle 17 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

There shall be a provision as follows:

"TIME OF PAYMENT CLAIMS: Indemnities payable under this policy for any loss other than loss for which this policy provides any periodic payment will be paid immediately upon receipt of due written proof of such loss. Subject to due written proof of loss, all accrued indemnities for loss for which this policy provides periodic payment will be paid . . . (insert period for payment which must not be less frequently than monthly) and any balance remaining unpaid upon the termination of liability will be paid immediately upon receipt of due written proof."

Section 13. A new section of Subtitle 17 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) There shall be a provision as follows:

PAYMENT OF CLAIMS: Indemnity for loss of life will be payable in accordance with the beneficiary designation and the provisions respecting such payment which may be prescribed herein and effective at the time of payment. If no such designation or provision is then effective, such indemnity shall be payable to the estate of the insured. Any other accrued indemnities unpaid at the insured's death may, at the option of the insurer, be paid either to such beneficiary or to such estate. All other indemnities will be payable to the insured."

(2) The following provisions, or either of them may be included with the foregoing provision at the option of the insurer:

(a) "If any indemnity of this policy shall be payable to the estate of the insured, or to an insured or beneficiary who is a minor or otherwise not competent to give a valid release, the insurer may pay such indemnity, up to an amount not exceeding $_____ (insert an amount which shall not exceed $1000), to any relative by blood or connection by marriage of the insured or beneficiary who is deemed by the insurer to be equitably entitled thereto. Any payment made by the insurer in good faith pursuant to this provision shall fully discharge the insurer to the extent of such payment."

(b) "Subject to any written direction of the insured in the application or otherwise all or a portion of any indemnities provided by this policy on account of hospital, nursing, medical, or surgical services may, at the insurer's option and unless the insured requests otherwise in writing not later than the time of filing proofs of such loss, be paid directly to the hospital or person rendering such services; but it is not required that the service be rendered by a particular hospital or person."

Section 14. A new section of Subtitle 17 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

There shall be a provision as follows:

"PHYSICAL EXAMINATION AND AUTOPSY: The insurer, at its own expense, shall have the right and opportunity to examine the person of the insured when and as often as it may reasonably require during the pendency of a claim hereunder and to make an autopsy in case of death where it is not forbidden by law."

Section 15. A new section of Subtitle 17 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

There shall be a provision as follows:

"LEGAL ACTIONS: No action at law or in equity shall be brought to recover on this policy prior to the expiration of sixty days after written proof of loss has been furnished in accordance with the requirements of this policy. No such action shall be brought after the expiration of three years after the time written proof of loss is required to be furnished."

Section 16. A new section of Subtitle 17 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) There shall be a provision as follows:

"CHANGE OF BENEFICIARY: Unless the insured makes an irrevocable designation of beneficiary, the right to change of beneficiary is reserved to the insured and the consent of the beneficiary or beneficiaries shall not be requisite to surrender or assignment of this policy or to any change of beneficiary or beneficiaries, or to any other changes in this policy."

(2) The first clause of the provision contained in subsection (1), relating to the irrevocable designation of beneficiary, may be omitted at the insurer's option.

Section 17. A new section of Subtitle 17 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) Except as to nonrenewable accident policies, every individual health insurance policy shall contain a provision therein or in a separate rider attached thereto when delivered, stating in substance that the person to whom the policy is issued shall be permitted to return the policy within ten days of its delivery to such person and have a refund of the premium paid if after examination of the policy the purchaser is not satisfied with it for any reason. If the provision is not printed on the face page or filing back of the policy, notice of the provision should be printed or stamped on the face page or filing back of the policy.

(2) The policy may be so returned to the insurer at its principal or branch office or to the agent through whom it was applied for, and thereupon shall be void as from the beginning and as if the policy had not been issued.

Section 18. A new section of Subtitle 17 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

Except as provided in subsection (2) of section 4 of Subtitle 17 of this Act, no such policy delivered or issued for delivery to any person in this state shall contain provisions respecting the matters set forth in Sections 19 to 29, inclusive of Subtitle 17 of this Act, unless such provisions are in the words in which the same appear in the applicable section, except that the insurer may, at its option, use in lieu of any such provision a corresponding provision of different wording approved by the commissioner which is not less favorable in any respect to the insured or the beneficiary. Any such provision contained in the policy shall be preceded individually by the appropriate caption or, at the option of the insurer, by such appropriate individual or group captions or subcaptions as the commissioner may approve.

Section 19. A new section of Subtitle 17 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

There may be a provision as follows:

"CHANGE OF OCCUPATION: If the insured be injured or contract sickness after having changed his occupation to one classified by the insurer as more hazardous than that stated in this policy or while doing for compensation anything pertaining to an occupation so classified, the insurer will pay only such portion of the indemnities provided in this policy as the premium paid would have purchased at the rate and within the limits fixed by the insurer for such more hazardous occupation. If the insured changes his occupation to one classified by the insurer as less hazardous than that stated in this policy, the insurer, upon receipt of proof of such change of occupation, will reduce the premium rate accordingly, and will return the excess pro rata unearned premium from the date of change of occupation or from the policy anniversary date immediately preceding receipt of such proof, whichever is the more recent. In applying this provision, the classification of occupational risk and the premium rates shall be such as have been last filed by the insurer prior to the occurence of the loss for which the insurer is liable or prior to date of proof of change in occupation with the state official having supervision of insurance in the state where the insured resided at the time this policy was issued; but if such filing was not required, then the classification of occupational risk and the premium rates shall be those last made effective by the insurer in such state prior to the occurrence of the loss or prior to the date of proof of change in occupation."

Section 20. A new section of Subtitle 17 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

There may be a provision as follows:

"MISSTATEMENT OF AGE: If the age of the insured has been misstated, all amounts payable under this policy shall be such as the premium paid would have purchased at the correct age."

Section 21. A new section of Subtitle 17 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) There may be a provision as follows:

"OTHER INSURANCE IN THIS INSURER: If an accident or sickness or accident and sickness policy or policies previously

issued by the insurer to the insured be in force concurrently herewith, making the aggregate indemnity for . . . . . (insert type of coverage or coverages) in excess of $. . . . . (insert maximum limit of indemnity or indemnities) the excess insurance shall be void and all premiums paid for such excess shall be returned to the insured or to his estate."

(2) Or, in lieu of the provision contained in subsection (1), there may be a provision as follows:

"Insurance effective at any one time on the insured under this policy and a like policy or policies in this insurer is limited to the one such policy elected by the insured, his beneficiary or his estate, as the case may be, and the insurer will return all premiums paid for all other such policies."

Section 22. A new section of Subtitle 17 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) There may be a provision as follows:

"INSURANCE WITH OTHER INSURERS: If there be other valid coverage, not with this insurer, providing benefits for the same loss on a provision of service basis or on an expense incurred basis and of which this insurer has not been given written notice prior to the occurrence or commencement of loss, the only liability under any expense incurred coverage of this policy shall be for such proportion of the loss as the amount which would otherwise have been payable hereunder plus the total of the like amounts under all such other valid coverages for the same loss of which this insurer had notice bears to the total like amounts under all valid coverages for such loss, and for the return of such portion of the premiums paid as shall exceed the pro rata portion for the amount so determined. For the purpose of applying this provision when other coverage is on a provision of service basis, the like amount of such other coverage shall be taken as the amount which the services rendered would have cost in the absence of such coverage."

(2) If the foregoing policy provision is included in a policy which also contains the policy provision set out in subsection (1) of Section 23 of Subtitle 17 of this Act, there shall be added

to the caption of the foregoing provision the phrase ". . . EXPENSE INCURRED BENEFITS."

(3) The insurer may, at its option, include in the provision, provided in subsection (1), a definition of "other valid coverage" approved as to form by the commissioner, which definition shall be limited in subject matter to coverage provided by organizations subject to regulation by insurance law or by insurance authorities of this or any other state of the United States or any province of Canada, and by hospital or medical service organizations, and to any other coverage the inclusion of which may be approved by the commissioner. In the absence of such definition such term shall not include group insurance, automobile medical payments insurance, or coverage provided by hospital or medical service organizations or by union welfare plans or employer or employe benefit organizations. For the purpose of applying such policy provision no third party liability coverage amount of benefit provided for such insured pursuant to any compulsory benefit statute, including any workmen's compensation or employer's liability statute, whether provided by a governmental agency or otherwise, shall in all cases be deemed to be "other valid coverage" of which the insurer has had notice. In applying such policy provision no third party liability coverage shall be included as "other valid coverage."

Section 23. A new section of Subtitle 17 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) There may be a provision as follows:

"INSURANCE WITH OTHER INSURERS: If there be other valid coverage, not with this insurer, providing benefits for the same loss on other than an expense incurred basis and of which this insurer has not been given written notice prior to the occurrence or commencement of loss, the only liability for such benefits under this policy shall be for such proportion of the indemnities otherwise provided hereunder for such loss as the like indemnities of which the insurer had notice (including the indemnities under this policy) bear to the total amount of all like indemnities for such loss, and for the return of such portion of the premium paid as shall exceed the pro rata portion for the indemnities thus determined."

(2) If the policy provision set out in subsection (1) is included in a policy which also contains the policy provision set out in subsection (1) of Section 22 of Subtitle 17 of this Act, there shall be added to the caption of the foregoing provisions the phrase ". . . OTHER BENEFITS."

(3) The insurer may, at its option, include in the provision set out in subsection (1), a definition of "other valid coverage" approved as to form by the commissioner, which definition shall be limited in subject matter to coverage provided by organizations subject to regulation by insurance laws or by insurance authorities of this or any other state of the United States or any province of Canada, and to any other coverage the inclusion of which may be approved by the commissioner. In the absence of such definition such term shall not include group insurance, or benefits provided by union welfare plans or by employer or employe benefit organizations. For the purpose of applying the foregoing policy provision with respect to any insured, any amount of benefit provided for such insured pursuant to any compulsory benefit statute, including any workmen's compensation or employer's liability statute, whether provided by a governmental agency or otherwise, shall in all cases be deemed to be "other valid coverage" of which the insurer has had notice. In applying such policy provision no third party liability coverage shall be included as "other valid coverage."

Section 24. A new section of Subtitle 17 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) There may be a provision as follows:

"After the loss-of-time benefit of this policy has been payable for ninety days, such benefit will be adjusted, as provided below, if the total amount of unadjusted loss-of-time benefits provided in all valid loss-of-time coverage upon the insured should exceed ____% of the insured's earned income; provided, however, that if the information contained in the application discloses that the total amount of loss-of-time benefits under this policy and under all other valid loss-of-time coverage expected to be effective upon the insured in accordance with the application for this policy exceeded ____% of the insured's earned income at the time of such application, such higher percentage will be used in the place of ____%. Such adjusted loss-of-time benefit

under this policy for any month shall be only such proportion of the loss-of-time benefit otherwise payable under this policy as:

(a) the product of the insured's earned income and ____% (or, if higher, the alternative percentage described at the end of the first sentence of this provision) bears to

(b) the total amount of loss-of-time benefits payable for such month under this policy and all other valid loss-of-time coverage on the insured (without giving effect of the overinsurance provision in this or any other coverage) less in both (a) and (b) any amount of loss-of-time benefits payable under other valid loss-of-time coverage which does not contain an 'overinsurance provision.' In making such computation, all benefits and earnings shall be converted to a consistent (insert 'weekly' if the loss-of-time benefit of this policy is payable weekly, 'monthly' if such benefit is payable monthly, etc.) basis. If the numerator of the foregoing ratio is zero or is negative, no benefit shall be payable under this policy. In no event shall this provision (i) operate to reduce the total combined amount of loss-of-time benefits for such month payable under this policy and all other valid loss-of-time coverage below the lesser of $300 and the total combined amount of loss-of-time benefits determined without giving effect to any 'overinsurance provision' nor (ii) operate to increase the amount of benefits payable under this policy above the amount which would have been paid in the absence of this provision, nor (iii) take into account or operate to reduce any benefit other than the loss-of-time benefit.

(c) For purposes of this provision:

1. 'Earned income,' except where otherwise specified, means the greater of the monthly earnings of the insured at the time disability commences and his average monthly earnings for a period of two years immediately preceding the commencement of such disability, and shall not include any investment income or any other income not derived from the insured's vocational activities.

2. 'Overinsurance provision' shall include this provision and any other provision with respect to any loss-of-time coverage which may have the effect of reducing an insurer's liability if the total amount of loss-of-time benefits under all coverage exceeds a stated relationship to the insured's earnings.

(2) The foregoing provision may be included only in a policy which provides a loss-of-time benefit which may be payable for at least fifty-two weeks, which is issued on the basis of selective underwriting of each individual application, and for which the application includes a question designed to elicit information necessary either to determine the ratio of the total loss-of-time benefits of the insured to the insured's earned income or to determine that such ratio does not exceed the percentage of earnings, not less than 60 percent, selected by the insurer and inserted in lieu of the blank factor above. The insurer may require, as part of the proof of claim, the information necessary to administer this provision. If the application indicates that other loss-of-time coverage is to be discontinued, the amount of such other coverage shall be excluded in computing the alternative percentage in the first sentence of the overinsurance provision. The policy shall include a definition of "valid loss-of-time coverage," approved as to form by the commissioner, which definition may include coverage provided by governmental agencies and by organizations subject to regulations by insurance law and by insurance authorities of this or any other state of the United States or any other country or subdivision thereof, coverage provided for such insured pursuant to any disability benefits statute or any workmen's compensation or employer's liability statute, benefits provided by labor-management trusteed plans or union welfare plans or by employer or employe benefit organizations, or by salary continuance or pension programs, and any other coverage the inclusion of which may be approved by the commissioner.

(3) If by application of any of the foregoing provisions the insurer effects a material reduction of benefits otherwise payable under the policy, the insurer shall refund to the insured any premium unearned on the policy by reason of such reduction of coverage during the policy year current and that next preceding at the time the loss commenced, subject to the insurer's right to provide in the policy that no such reduction of benefits or refund will be made unless the unearned premium to be so refunded amounts to $5 or such larger sum as the insurer may so specify.

Section 25. A new section of Subtitle 17 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

There may be a provision as follows:

"UNPAID PREMIUM: Upon the payment of a claim under this policy, any premium then due and unpaid or covered by any note or written order may be deducted therefrom."

Section 26. A new section of Subtitle 17 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

There may be a provision as follows:

"CONFORMITY WITH STATE STATUTES: Any provision of this policy which, on its effective date, is in conflict with the statutes of the state in which the insured resides on such date is hereby amended to conform to the minimum requirements of such statutes."

Section 27. A new section of Subtitle 17 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

Health insurance policies, other than accident insurance only policies, in which the insurer reserves the right to refuse renewal on an individual basis, shall provide in substance in a provision thereof or in an endorsement thereon or rider attached thereto that subject to the right to terminate the policy upon nonpayment of premium when due, such right to refuse renewal may not be exercised so as to take effect before the renewal date occurring on, or after and nearest, each policy anniversary (or in the case of lapse and reinstatement, at the renewal date occurring on, or after and nearest, each anniversary of the last reinstatement), and that any refusal of renewal shall be without prejudice to any claim originating while the policy is in force. (The parenthetic reference to lapse and reinstatement may be omitted at the insurer's option.)

Section 28. A new section of Subtitle 17 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

There may be a provision as follows:

"ILLEGAL OCCUPATION: The insurer shall not be liable for any loss to which a contributing cause was the insured's

commission of or attempt to commit a felony or to which a contributing cause was the insured's being engaged in an illegal occupation."

Section 29. A new section of Subtitle 17 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

There may be a provision as follows:

"INTOXICANTS, NARCOTICS AND HALLUCINOGENICS: The insurer shall not be liable for any loss sustained or contracted in consequence of the insured's being intoxicated or under the influence of any narcotic or any hallucinogenic unless administered on the advice of a physician."

Section 30. A new section of Subtitle 17 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

The provisions which are the subject of Sections 5 to 16, inclusive, and 19 to 29, inclusive, of Subtitle 17 of this Act, or any corresponding provisions which are used in lieu thereof in accordance with such sections, shall be printed in the consecutive order of the provisions in such sections, or, at the insurer's option, any such provision may appear as a unit in any part of the policy, with other provisions to which it may be logically related; provided, the resulting policy shall not be in whole or in part unintelligible, uncertain, ambiguous, abstruse, or likely to mislead a person to whom the policy is offered, delivered or issued.

Section 31. A new section of Subtitle 17 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) Family expense health insurance is that provided under a policy issued to one of the family members insured, who shall be deemed the policyholder, covering any two or more eligible members of a family, including husband, wife, dependent children, or any children under a specified age which shall not exceed nineteen years, and any other person dependent upon the policyholder. Any authorized health insurer may issue such insurance.

(2) An individual hospital or medical expense insurance policy or hospital or medical service plan contract delivered or issued for delivery in this state more than one hundred twenty

days after June 13, 1968, which provides that coverage of a dependent child shall terminate upon attainment of the limiting age for dependent children specified in the policy or contract shall also provide in substance that attainment of such limiting age shall not operate to terminate the coverage of such child while the child is and continues to be both (a) incapable of self-sustaining employment by reason of mental retardation or physical handicap and (b) chiefly dependent upon the policyholder or subscriber for support and maintenance, provided proof of such incapacity and dependency is furnished to the insurer or corporation by the policyholder or subscriber within thirty-one days of the child's attainment of the limiting age and subsequently as may be required by the insurer or corporation but not more frequently than annually after the two-year period following the child's attainment of the limiting age.

Section 32. A new section of Subtitle 17 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

The word "insured," as used in this subtitle, shall not be construed as preventing a person other than the insured with a proper insurable interest from making application for and owning a policy covering the insured or from being entitled under such a policy to any indemnities, benefits, and rights provided therein.

Section 33. A new section of Subtitle 17 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) Any policy of a foreign or alien insurer, when delivered or issued for delivery to any person in this state, may contain any provision which is not less favorable to the insured or the beneficiary than the provisions of this subtitle and which is prescribed or required by the laws of the state under which the insurer is organized.

(2) Any policy of a domestic insurer may, when issued for delivery in any other state or country, contain any provision permitted or required by the laws of such other state or country.

Section 34. A new section of Subtitle 17 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

A policy delivered or issued for delivery to any person in

this state in violation of this subtitle shall be held valid but shall be construed as provided in this subtitle. When any provision in a policy subject to this subtitle is in conflict with any provision of this subtitle, the rights, duties, and obligations of the insurer, the insured and the beneficiary shall be governed by the provisions of this subtitle.

Section 35. A new section of Subtitle 17 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

If any policy contains a provision establishing, as an age limit or otherwise, a date after which the coverage provided by the policy will not be effective, and if such date falls within a period for which premium is accepted by the insurer or if the insurer accepts a premium after such date, the coverage provided by the policy will continue in force subject to any right of cancellation until the end of the period for which premium has been accepted. In the event the age of the insured has been misstated and if, according to the correct age of the insured, the coverage provided by the policy would not have become effective, or would have ceased prior to the acceptance of such premium or premiums, then the liability of the insurer shall be limited to the refund, upon request, of all premiums paid for the period not covered by the policy.

Section 36. A new section of Subtitle 17 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

No insurer shall deliver or issue for delivery in this state any policy providing benefits or values for surviving or continuing policyholders contingent upon the lapse or termination of the policies of other policyholders whether by death or otherwise.

Section 37. A new section of Subtitle 17 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

The reinstatement of any policy of noncancellable health insurance, or of any health policy containing a provision for incontestability, or a provision of similar nature, delivered or issued for delivery in this state subsequent to September 1, 1950, shall be contestable only on account of fraud or misrepresentation of facts material to the reinstatement and only for the same period following reinstatement as is provided in the policy with

respect to the contestability thereof after the original issuance of the policy.

Section 38. A new section of Subtitle 17 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

Each insurer issuing health insurance policies for delivery in this state shall, before use thereof, file with the commissioner its premium rates and classification of risks pertaining to such policies. The insurer shall adhere to its rates and classifications as filed with the commissioner. The insurer may change such filings from time to time as it deems proper.

Section 39. A new section of Subtitle 17 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) Health insurance on a franchise plan is that issued to:

(a) Five or more employes of a common employer; or

(b) Ten or more members of any bona fide association or labor union, which association or union was formed and exists for purposes other than that of obtaining insurance, and under which such employes or members, with or without their dependents, are issued individual policies which may vary as to amounts and kinds of coverage as applied for, under an arrangement whereby the premiums on the policies are to be paid to the insurer periodically by the employer, with or without payroll deductions, or by the association, or by some designated employe or officer of the association acting on behalf of the employer or association members.

(2) The term "employes" includes also the employer's officers, and the employer or partners if the employer is an individual or a partnership.

(3) An insurer may charge different rates, provide different benefits, or employ different underwriting procedure for individuals insured under a franchise plan, if such rates, benefits, or procedures as used do not unfairly discriminate as between individuals insured under franchise plans and individuals otherwise insured under similar policies, taking into consideration the insuring, risk and exposure factors, and expense elements.

SUBTITLE 18

Section 1. A new section of Subtitle 18 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) This subtitle may be cited as the Group or Blanket Health Insurance Law.

(2) This subtitle applies only to group health insurance contracts and to blanket health insurance contracts.

Section 2. A new section of Subtitle 18 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) "Group health insurance" is hereby declared to be that form of health insurance covering groups of persons as defined in this section, with or without one or more members of their families or one or more of their dependents, or covering one or more members of the families or one or more dependents of such groups of persons, and issued upon the following basis:

(a) Under a policy issued to an employer or trustees of a fund established by an employer, who shall be deemed the policyholder, insuring employes of such employer for the benefit of persons other than the employer (except as to policies insuring only against aviation or transportation hazards). The term "employes" as used in this paragraph shall be deemed to include the officers, managers and employes of the employer, the individual proprietor or partner if the employer is an individual proprietor or partnership, the officers, managers and employes of subsidiary or affiliated corporations, the individual proprietors, partners and employes of individuals and firms, if the business of the employer and such individual or firm is under common control through stock ownership, contract or otherwise. The term "employes" as used in this paragraph may include retired employes. A policy issued to insure employes of a public body may provide that the term "employes" shall include elected or appointed officers. The policy may provide that the term "employes" shall include the trustees or their employes, or both, if their duties are principally connected with such trusteeship.

(b) Under a policy issued to an association, including a labor union, which shall have a constitution and bylaws and which has been organized and is maintained in good faith for

purposes other than that of obtaining insurance, insuring members, employes or employes of members of the association for the benefit of persons other than the association or its officers or trustees. The term "employes" as used in this paragraph may include retired employes.

(c) Under a policy issued to the trustees of a fund established by two or more employers in the same or related industry or by one or more labor unions or by one or more employers and one or more labor unions or by an association as defined in paragraph (b), which trustees shall be deemed the policyholder, to insure employes of the employers or members of the unions or of such association, or employes of members of such association, for the benefit of persons other than the employers or the unions or such association. The term "employes" as used in this paragraph may include the officers, managers and employes of the employer, and the individual proprietor or partners if the employer is an individual proprietor or partnership. The term "employes" as used in this paragraph may include retired employes. The policy may provide that the term "employes" shall include the trustees or their employes, or both, if their duties are principally connected with such trusteeship.

(d) Under a policy issued to a creditor insuring a group of debtors, as defined in Section 4 of Subtitle 16 of this Act, and under the same conditions and limitations as specified in such section, but the amount in indemnity payable with respect to any person insured thereunder shall not at any time exceed the aggregate of the periodic scheduled unpaid installments.

(e) Under a policy issued to any other person or organization to which a policy of group life insurance may be issued or delivered in this state to insure any class or classes of individuals that could be insured under such group life policy.

(f) Under a policy issued to cover any other substantially similar group which, in the discretion of the commissioner, may be subject to the issuance of a group health policy or contract.

(2) Any group health policy which contains provisions for the payment by the insurer of benefits for expenses incurred on account of hospital, nursing, medical or surgical services for members of the family or dependents of a person in the insured group may provide for the continuation of such benefit pro-

visions, or any part or parts thereof, after the death of the person in the insured group.

Section 3. A new section of Subtitle 18 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

Each such group health insurance policy shall contain in substance the following provisions:

(1) A provision that, in the absence of fraud, all statements made by applicants or the policyholders or by an insured person shall be deemed representations and not warranties, and that no statement made for the purpose of effecting insurance shall void such insurance or reduce benefits unless contained in a written instrument signed by the policyholder or the insured person, a copy of which has been furnished to such policyholder or to such person or his beneficiary.

(2) A provision that the insurer will furnish to the policyholder for delivery to each employe or member of the insured group a statement in summary form of the essential features of the insurance coverage of such employe or member and to whom benefits thereunder are payable. If dependents are included in the coverage, only one statement need be issued for each family unit.

(3) A provision that to the group originally insured may be added from time to time eligible new employes or members or dependents, as the case may be, in accordance with the terms of the policy.

Section 4. A new section of Subtitle 18 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

Any group health policy may provide that all or any portion of any indemnities provided by any such policy on account of hospital, nursing, medical or surgical services may, at the insurer's option, be paid directly to the hospital or person rendering such services; but the policy may not require that the service be rendered by a particular hospital or person. Payments so made shall discharge the insurer's obligation with respect to the amount of insurance so paid.

Section 5. A new section of Subtitle 18 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

Any contract of group health insurance may provide for the readjustment of the rate of premium based upon the experience thereunder. If a policy dividend is declared or a reduction in rate is made or continued for the first or any subsequent year of insurance under any policy of group health insurance issued prior to or after the effective date of this code to any policyholder, the excess, if any, of the aggregate dividends or rate reductions under such policy and all other group insurance policies of the policyholder over the aggregate expenditure for insurance under such policies made from funds contributed by the policyholder, or by an employer or insured persons, or by a union or association to which the insured persons belong, including expenditures made in connection with administration of such policies, shall be applied by the policyholder for the sole benefit of insured employes or members.

Section 6. A new section of Subtitle 18 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

"Blanket health insurance" is that form of health insurance covering groups of persons as enumerated in one of the following subsections under a policy or contract issued to:

(1) Any common carrier or to any operator, owner or lessee of a means of transportation, who or which shall be deemed the policyholder, covering a group of persons who may become passengers defined by reference to their travel status on such common carrier or such means of transportation.

(2) An employer, who shall be deemed the policyholder, covering any group of employes, dependents or guests, defined by reference to specified hazards incident to an activity or activities or operations of the policyholder.

(3) A college, school or other institution of learning, a school district or districts, or school jurisdictional unit, or to the head, principal or governing board of any such educational unit, who or which shall be deemed the policyholder, covering students, teachers or employes.

(4) A religious, charitable, recreational, educational or civic organization, or branch thereof, which shall be deemed the policyholder covering any group of members or participants defined by reference to specified hazards incident to an activity

or activities or operations sponsored or supervised by such policyholder.

(5) A sports team, camp or sponsor thereof, which shall be deemed the policyholder, covering members, campers, employes, officials or supervisors.

(6) A volunteer fire department, first aid, civil defense or other such volunteer organization, which shall be deemed the policyholder, covering any group of members or participants defined by reference to specified hazards incident to an activity or activities or operations sponsored or supervised by such policyholder.

(7) A newspaper or other publisher, which shall be deemed the policyholder, covering its carriers.

(8) An association, including a labor union, which has a constitution and bylaws and which has been organized and is maintained in good faith for purposes other than that of obtaining insurance, which shall be deemed the policyholder, covering any group of members or participants defined by reference to specified hazards incident to an activity or activities or operations sponsored or supervised by such policyholder.

(9) Any other person or group covering any other risk or class of risks which, in the discretion of the commissioner, may be properly eligible for blanket health insurance. The discretion of the commissioner may be exercised on an individual risk basis or class of risks, or both.

Section 7. A new section of Subtitle 18 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

Any insurer authorized to write health insurance in this state shall have the power to issue blanket health insurance. No such blanket policy, except as provided in subsection (4) of Section 12 of Subtitle 14 of this Act, may be issued or delivered in this state unless a copy of the form thereof has been filed in accordance with Section 12 of Subtitle 14 of this Act. Every such blanket policy shall contain provisions which in the opinion of the commissioner are not less favorable to the policyholder and the individual insured than the following:

(1) A provision that the policy, including endorsements

and a copy of the application, if any, of the policyholder and the persons insured shall constitute the entire contract between the parties, and that any statement made by the policyholder or by a person insured shall in the absence of fraud be deemed a representation and not a warranty, and that no such statements shall be used in defense to a claim under the policy, unless contained in a written application. Such person, his beneficiary or assignee shall have the right to make a written request to the insurer for a copy of such application, and the insurer shall within fifteen days after the receipt of such request at its principal office or any branch office of the insurer, deliver or mail to the person making such request a copy of such application. If such copy is not so delivered or mailed, the insurer shall be precluded from introducing such application as evidence in any action based upon or involving any statements contained therein.

(2) A provision that written notice of sickness or of injury must be given to the insurer within twenty days after the date when such sickness or injury occurred. Failure to give notice within such time shall not invalidate or reduce any claim if it is shown not to have been reasonably possible to give such notice and that notice was given as soon as was reasonably possible.

(3) A provision that the insurer will furnish either to the claimant or to the policyholder for delivery to the claimant such forms as are usually furnished by it for filing proof of loss. If such forms are not furnished before the expiration of fifteen days after giving such notice, the claimant shall be deemed to have complied with the requirements of the policy as to proof of loss upon submitting, within the time fixed in the policy for filing proof of loss, written proof covering the occurrence, the character and the extent of the loss for which claim is made.

(4) A provision that in the case of a claim for loss of time for disability, written proof of such loss must be furnished to the insurer within ninety days after the commencement of the period for which the insurer is liable, and that subsequent written proofs of the continuance of such disability must be furnished to the insurer at such intervals as the insurer may reasonably require, and that in the case of a claim for any other loss, written proof of such loss must be furnished to the insurer within ninety days after the date of such loss. Failure to furnish such proof within

such time shall not invalidate or reduce any claim if it is shown not to have been reasonably possible to furnish such proof and that such proof was furnished as soon as was reasonably possible.

(5) A provision that all benefits payable under the policy other than benefits for loss of time will be payable immediately upon receipt of due written proof of such loss, and that, subject to due proof of loss, all accrued benefits payable under the policy for loss of time will be paid not less frequently than monthly during the continuance of the period for which the insurer is liable, and that any balance remaining unpaid at the termination of such period will be paid immediately upon receipt of such proof.

(6) A provision that the insurer at its own expense shall have the right and opportunity to examine the person of the insured when and so often as it may reasonably require during the pendency of claim under the policy and also the right and opportunity to make an autopsy where it is not prohibited by law.

(7) A provision that no action at law or in equity shall be brought to recover under the policy prior to the expiration of sixty days after written proof of loss has been furnished in accordance with the requirements of the policy and that no such action shall be brought after the expiration of three years after the time written proof of loss is required to be furnished.

Section 8. A new section of Subtitle 18 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) An individual application need not be required from a person covered under a blanket health policy or contract, nor shall it be necessary for the insurer to furnish each person a certificate, if such person does not pay all or part of the premium for such insurance.

(2) A person covered under a blanket health insurance policy or contract who pays any part of the premium or is required to submit an application as to such insurance shall be furnished a certificate by the insurer reasonably setting forth a summary of such person's coverage and restrictions thereon.

Section 9. A new section of Subtitle 18 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) Except as provided in subsection (2), all benefits under any blanket health policy or contract shall be payable to the person insured, or to his designated beneficiary or beneficiaries, or to his estate, except that if the person insured is a minor or otherwise not competent to give a valid release, such benefits may be made payable to his parent, guardian or other person actually supporting him.

(2) The policy may provide that all or a portion of any indemnities provided by any such policy on account of hospital, nursing, medical or surgical services may, at the option of the insurer and unless the insured requests otherwise in writing not later than the time of filing proofs of such loss, be paid directly to the hospital or person rendering such services; but the policy may not require that the service be rendered by a particular hospital or person. Payment so made shall discharge the obligation of the insurer with respect to the amount of insurance so paid.

Section 10. A new section of Subtitle 18 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

Nothing contained in this subtitle shall be deemed to affect the legal liability of policyholders for death of or injury to any member insured under a blanket insurance policy.

SUBTITLE 19

Section 1. A new section of Subtitle 19 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

All life insurance and all health insurance in connection with loans or other credit transactions shall be subject to the provisions of this subtitle, except such insurance in connection with a loan or other credit transaction of more than five years duration; nor shall insurance be subject to the provisions of this subtitle, where the issuance of such insurance is an isolated transaction on the part of the insurer not related to an agreement or a plan for insuring debtors of the creditor.

Section 2. A new section of Subtitle 19 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

For the purpose of this subtitle:

(1) "Credit life insurance" means insurance on the life of a debtor pursuant to or in connection with a specific loan or other credit transaction;

(2) "Credit health insurance" means insurance on a debtor to provide indemnity for payments becoming due on a specific loan or other credit transaction while the debtor is disabled as defined in the policy;

(3) "Creditor" means the lender of money or vendor or lessor of goods, services, or property, rights or privileges, for which payment is arranged through a credit transaction, or any successor to the right, title or interest of any such lender, vendor, or lessor, and an affiliate, associate or subsidiary of any of them, or any director, officer or employe of any of them, or any other person in any way associated with any of them;

(4) "Debtor" means a borrower of money or a purchaser or lessee of goods, services, property, rights or privileges for which payment is arranged through a credit transaction;

(5) "Indebtedness" means the total amount payable by a debtor to a creditor in connection with a loan or other credit transaction.

Section 3. A new section of Subtitle 19 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

Credit life insurance and credit health insurance shall be issued only in the following forms:

(1) Individual policies of life insurance issued to debtors on the term plan;

(2) Individual policies of health insurance issued to debtors on a term plan or disability benefit provisions in individual policies of credit life insurance;

(3) Group policies of life insurance issued to creditors providing insurance upon the lives of debtors on the term plan; or

(4) Group policies of health insurance issued to creditors

on a term plan insuring debtors or disability benefit provisions in group credit life insurance policies to provide such coverage.

Section 4. A new section of Subtitle 19 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) The initial amount of credit life insurance shall not exceed the total amount repayable under the contract of indebtedness and, where an indebtedness is repayable in substantially equal installments, the amount of insurance shall at no time exceed the scheduled or actual amount of unpaid indebtedness, whichever is greater, provided that in the case of a group policy the amount of insurance may be reduced annually or at more frequent intervals, by a level percentage.

(2) Notwithstanding subsection (1), insurance on agricultural credit transaction commitments not exceeding one year in duration may be written up to the amount of the loan commitment, on a nondecreasing or level term plan.

(3) Notwithstanding subsection (1), insurance on educational credit transaction commitments may be written for the amount of the portion of such commitment that has not been advanced by the creditor.

Section 5. A new section of Subtitle 19 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

The total amount of indemnity payable by credit health insurance in the event of disability, as defined in the policy, shall not exceed the aggregate of the periodic schedule unpaid installments of the indebtedness; and the amount of each periodic indemnity payment shall not exceed the original indebtedness divided by the number of periodic installments.

Section 6. A new section of Subtitle 19 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) The term of any credit life insurance or credit health insurance shall, subject to acceptance by the insurer, commence on the date when the debtor becomes obligated to the creditor; except, that where a group policy provides coverage with respect to existing obligations, the insurance on a debtor with respect to such indebtedness shall commence on the effective date of the policy.

(2) Where evidence of insurability is required and such evidence is furnished more than thirty days after the date when the debtor becomes obligated to the creditor, the term of the insurance may commence on the date on which the insurer determines the evidence to be satisfactory, and in such event there shall be an appropriate refund or adjustment of any charge to the debtor for insurance.

(3) The term of such insurance shall not extend more than fifteen days beyond the original or revised scheduled maturity date of the indebtedness except when extended without additional cost to the debtor.

(4) If the indebtedness is discharged due to renewal or refinancing prior to the schedule maturity date, the insurance in force shall be terminated before any new insurance may be issued in connection with the renewed or refinanced indebtedness. In all cases of termination prior to scheduled maturity, a refund shall be paid or credited as provided in Section 9 of Subtitle 19 of this Act.

Section 7. A new section of Subtitle 19 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) All credit life insurance and credit health insurance shall be evidenced by an individual policy, or in the case of group insurance by a certificate of insurance, which individual policy or group certificate shall be delivered to the debtor.

(2) Each individual policy or group certificate of credit life insurance and credit health insurance shall, in addition to other requirements of law:

(a) Set forth the name and principal office address of the insurer, and the identity of the person or persons insured, by name in the case of individual policies;

(b) Set forth the rate or amount of payment, if any, by the debtor separately for credit life insurance and credit health insurance, a description of the amount, term and coverage including any exceptions, limitations and restrictions; and

(c) State that the benefits shall be paid to the creditor to reduce or extinguish the unpaid indebtedness and, wherever the amount of insurance may exceed the unpaid indebtedness, that

any such excess shall be payable to a beneficiary, other than the creditor, named by the debtor or to his estate.

(3) The individual policy or group certificate of insurance shall be delivered to the insured debtor at the time the indebtedness is incurred except as provided in this section.

(4) If a debtor makes a separate payment for credit life or credit health insurance and an individual policy or group certificate of insurance is not delivered to the debtor at the time the indebtedness is incurred, a copy of the application for such policy or a notice of proposed insurance shall be delivered at such time to the debtor. The copy of the application or a notice of proposed insurance shall:

(a) Be signed by the debtor;

(b) Set forth the indentity by name or otherwise of the person or persons insured;

(c) Set forth the rate or amount of payment by the debtor, if any, separately for credit life insurance and credit health insurance;

(d) Contain a statement that within thirty days, if the insurance is accepted by the insurer, there will be delivered to the debtor an individual policy or group certificate of insurance containing the name and principal office address of the insurer, a description of the amount, term and coverage including any exceptions, limitations and restrictions; and

(e) Refer exclusively to insurance coverage, and be separate and apart from the loan, sale or other credit statement of account, instrument or agreement, unless the information required by this subsection is prominently set forth therein.

Upon acceptance of the insurance by the insurer and within thirty days of the date upon which the indebtedness is incurred, the insurer shall cause the individual policy or group certificate of insurance to be delivered to the debtor. Such application or notice of proposed insurance shall state that upon acceptance by the insurer, the insurance shall become effective as provided in Section 6 of Subtitle 19 of this Act.

(5) If the named insurer does not accept the risk, then the debtor shall receive a refund of premium.

Section 8. A new section of Subtitle 19 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) All such policies, certificates of insurance, notices of proposed insurance, applications for insurance, endorsements and riders delivered or issued for delivery in this state and the schedule of premium rates pertaining thereto shall be filed with the commissioner.

(2) The commissioner shall, within thirty days after the filing of any such policies, certificates of insurance, notices of proposed insurance, applications for insurance, endorsements and riders, disapprove any such form if the premium rates charged or to be charged are excessive in relation to benefits, or if it contains provisions phich are unjust, unfair, inequitable, misleading, deceptive or encourage misrepresentation of the coverage, or are contrary to any provision of this code or any rule or regulation promulgated thereunder. In determining whether to disapprove any such forms the commissioner shall give due consideration to past and prospective loss experience within and outside this state, to underwriting practice and judgment to the extent appropriate, an dto all other relevant factors within and outside this state.

(3) If the commissioner notifies the insurer that the form is disapproved, it is unlawful thereafter for such insurer to issue or use such form. In such notice, the commissioner shall specify the reason for his disapproval and that the insurer may apply for a hearing as provided in this code. No such policy, certificate of insurance, notice of proposed insurance, or any application, endorsement or rider shall be issued or used until the expiration of thirty days after it has been so filed, unless the commissioner gives his prior written approval thereto.

(4) The commissioner may, at any time after a hearing held not less than thirty days after written notice to the insurer, withdraw his approval of any such form on any ground set forth in subsection (2). The written notice of such hearing shall state the reason for the proposed withdrawal, and the insurer may appeal as provided in this code.

(5) The insurer shall not issue such forms or use them after the effective date of such withdrawal.

(6) If a group policy has been delivered in this state before the effective date of this code, or has been or is delivered in another state before or an or after the effective date of this code, the insurer shall be required to file only the group certificate and notice of proposed insurance delivered or issued for delivery in this state as specified in Subsections (2) and (4) of Section 7 of Subtitle 19 of this Act, and such forms shall be approved by the commissioner if they conform with the requirements specified in such subsections and if the schedules of premium rates applicable to the insurance evidenced by such cerfiticate or notice are not in excess of the insurer's schedules of premium rates filed with the commissioner. The premium rate in effect on existing group policies may be continued until the first policy anniversary date following the effective date of this code.

Section 9. A new section of Subtitle 19 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) Any insurer may revise its schedules of premium rates from time to time, and shall file such revised schedules with the commissioner. No insurer shall issue any credit life insurance or credit health insurance policy for which the premium rate exceeds that determined by the schedules of such insurer as then on file with the commissioner.

(2) Each individual policy or group certificate shall provide that in the event of termination of the insurance prior to the scheduled maturity date of the indebtedness, any refund of an amount paid by the debtor for insurance shall be paid or credited promptly to the person entitled thereto. The commissioner shall prescribe a minimum refund and no refund which would be less than such minimum need be made. The formula to be used in computing such refund shall be filed with and approved by the commissioner.

(3) When a debtor purchases credit life insurance or credit health insurance and an individual policy or group certificate of insurance is not issued, the creditor shall immediately give written notice to such debtor and shall promptly make an appropriate credit to the account.

(4) The amount charged to a debtor for any credit life insurance or credit health insurance shall not exceed the pre-

miums charged by the insurer, as computed at the time the charge to the debtor is determined.

(5) Nothing in this subtitle shall be construed to authorize any payments for insurance now prohibited under any statute, or rule thereunder, governing credit transactions.

Section 10. A new section of Subtitle 19 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

All policies of credit life insurance and credit health insurance shall be delivered or issued for delivery in this state only by an insurer authorized to do an insurance business herein, and shall be issued only through holders of licenses, or authorization issued by the commissioner.

Section 11. A new section of Subtitle 19 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) All claims shall be promptly reported to the insurer or its designated claim representative, and the insurer shall maintain adequate claim files. All claims shall be settled as soon as possible and in accordance with the terms of the insurance contract.

(2) All claims shall be paid either by draft drawn upon the insurer or by check of the insurer to the order of the claimant to whom payment of the claim is due pursuant to the policy provisions, or upon direction of such claimant to one specified.

(3) No plan or arrangement shall be used whereby any person, firm or corporation other than the insurer or its designated claim representative shall be authorized to settle or adjust claims. The creditor shall not be designated as claim representative for the insurer in adjusting claims; provided, that a group policyholder may, by arrangement with the group insurer, draw drafts or checks in payment of claims due to the group policyholder subject to audit and review by the insurer.

Section 12. A new section of Subtitle 19 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

When credit life insurance or credit health insurance is required as additional security for any indebtedness, the debtor shall, upon request to the creditor, have the option of furnishing

the required amount of insurance through existing policies of insurance owned or controlled by him or of procuring and furnishing the required coverage through any insurer authorized to transact an insurance business within this state.

Section 13. A new section of Subtitle 19 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

Whenever the commissioner finds that there has been a violation of this subtitle or any regulations issued pursuant thereto, and after written notice thereof and hearing given to the insurer or other person authorized or licensed by the commissioner, he shall set forth the details of his findings together with an order for compliance by a specified date. Such order shall be binding on the insurer and other person authorized or licensed by the commissioner on the date specified unless sooner withdrawn by the commissioner or an appeal is taken as provided in this code.

SUBTITLE 20

Section 1. A new section of Subtitle 20 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

All contracts of casualty insurance covering subjects of insurance resident, located or to be performed in this state, are subject to the applicable provisions of this subtitle, Subtitle 14, and to other applicable provisions of this code.

Section 2. A new section of Subtitle 20 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) No automobile liability or motor vehicle liability policy of insurance insuring against loss resulting from liability imposed by law for bodily injury or death suffered by any person arising out of the ownership, maintenance or use of a motor vehicle shall be delivered or issued for delivery in this state with respect to any motor vehicle registered or principally garaged in this state unless coverage is provided therein or supplemental thereto, in limits for bodily injury or death set forth in KRS 187.330 (3) under provisions approved by the commissioner, for the protection of persons insured thereunder who are legally entitled to

recover damages from owners or operators of uninsured motor vehicles because of bodily injury, sickness or disease, including death, resulting therefrom; provided that the named insured shall have the right to reject in writing such coverage; and provided further that, unless the named insured requests such coverage in writing, such coverage need not be provided in or supplemental to a renewal policy where the named insured had rejected the coverage in connection with a policy previously issued to him by the same insurer.

(2) For the purpose of this coverage the term "uninsured motor vehicle" shall, subject to the terms and conditions of such coverage, be deemed to include an insured motor vehicle where the liability insurer thereof is unable to make payment with respect to the legal liability of its insured within the limits specified therein because of insolvency; an insured motor vehicle with respect to which the amounts provided, under the bodily injury liability bond or insurance policy applicable at the time of the accident with respect to any person or organization legally responsible for the use of such motor vehicle, are less than the limits described in KRS 187.330(3); and an insured motor vehicle to the extent that the amounts provided in the liability coverage applicable at the time of the accident is denied by the insurer writing the same.

(3) Protection against an insurer's insolvency shall be applicable only to accidents occurring during a policy period in which its insured's uninsured motorist coverage is in effect where the liability insurer of the tortfeasor becomes insolvent within one year after such an accident. Nothing herein contained shall be construed to prevent any insurer from affording insolvency protection under terms and conditions more favorable to its insureds than is provided hereunder.

(4) In the event of payment to any person under the coverage required by this section and subject to the terms and conditions of such coverage, the insurer making such payment shall, to the extent thereof, be entitled to the proceeds of any settlement or judgment resulting from the exercise of any rights of recovery of such person against any person or organization legally responsible for the bodily injury for which such payment is made, including the proceeds recoverable from the assets of the insolvent insurer.

Section 3. A new section of Subtitle 20 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

No insurance contract insuring against loss or damage through legal liability for the bodily injury or death by accident of any individual, or for damage to the property of any person, shall be retroactively annulled by any agreement between the insurer and insured after the occurrence of any such injury, death, or damage for which the insured may be liable, and any such annulment attempted shall be void.

Section 4. A new section of Subtitle 20 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) As used in this section:

(a) "Policy" means an automobile liability insurance policy, delivered or issued for delivery in this state, insuring a single individual or husband and wife resident of the same household, as named insured, and under which the insured vehicles therein designated are of the following types only:

1. A motor vehicle of the private passenger or station wagon type that is not used as a public or livery conveyance for passengers, nor rented to others; or

2. Any other four-wheel motor vehicle with a load capacity of 1500 pounds or less which is not used in the occupation, profession or business of the insured; provided, however, that this section shall not apply:

A. To any policy issued under an automobile assigned risk plan, or

B. To any policy insuring more than four automobiles, or

C. To any policy covering garage, automobile sales agency, repair shop, service station or public parking place operation hazards.

(b) "Automobile liability insurance policy" includes only coverage of bodily injury and property damage liability, and the provisions therein, if any, relating to medical payments, uninsured motorists coverage, and automobile physical damage coverage.

(c) "Renewal" or "to renew" means the issuance and delivery by an insurer of a policy replacing at the end of the policy

period a policy previously issued and delivered by the same insurer, or the issuance and delivery of a certificate or notice extending the term of a policy beyond its policy period or term; provided, however, that any policy with a policy period or term of less than six months shall for the purpose of this section be considered as if written for a policy period or term of six months. Provided, further, that any policy written for a term longer than one year or any policy with no fixed expiration date, shall for the purpose of this section, be considered as if written for successive policy periods or terms of one year, and such policy may be terminated at the expiration of any annual period upon giving twenty days' notice of cancellation prior to such anniversary date, and such cancellation shall not be subject to any other provisions of this section.

(d) "Nonpayment of premium" means failure of the named insured to discharge when due any of his obligations in connection with the payment of premiums on a policy, or any installment of such premium, whether the premium is payable directly to the insurer or its agent or indirectly under any premium finance plan or extension of credit.

(2) (a) A notice of cancellation of a policy shall be effective only if it is based on one or more of the following reasons:

1. Nonpayment of premium; or

2. The driver's license or motor vehicle registration of the named insured or of any other operator who either resides in the same household or customarily operates an automobile insured under the policy has been under suspension or, revocation during the policy period or, if the policy is a renewal, during its policy period or the 180 days immediately preceding its effective date.

(b) This subsection shall not apply to any policy or coverage which has been in effect less than sixty days at the time notice of cancellation is mailed or delivered by the insurer unless it is a renewal policy.

(c) Modification of automobile physical damage coverage by the inclusion of a deductible not exceeding $100 shall not be deemed a cancellation of the coverage or of the policy.

(d) This subsection shall not apply to nonrenewal.

(3) No notice of cancellation of a policy to which subsection (2) applies shall be effective unless mailed or delivered by the insurer to the named insured at least twenty days prior to the effective date of cancellation; provided, however, that where cancellation is for nonpayment of premium at least ten days' notice of cancellation accompanied by the reason therefor shall be given. Unless the reason accompanies or is included in the notice of cancellation, the notice of cancellation shall state or be accompanied by a statement that upon written request of the named insured, mailed or delivered to the insurer not less than fifteen days prior to the effective date of cancellation the insurer will specify the reason for such cancellation. This subsection shall not apply to renewals.

(4) No insurer shall fail to renew a policy unless it shall mail or deliver to the named insured, at the address shown in the policy, at least twenty days' advance notice of its intention not to renew. This subsection shall not apply:

(a) If the insurer has manifested its willingness to renew; nor

(b) In case of nonpayment of premium.

Provided, that, notwithstanding the failure of an insurer to comply with this subsection, the policy shall terminate on the effective date of any other insurance policy with respect to any automobile designated in both policies. Renewal of a policy shall not constitute a waiver of estoppel with respect to grounds for cancellation which existed before the effective date of such renewal.

(5) Proof of mailing of notice of cancellation or of intention not to renew or of reasons for cancellation to the named insured at the address shown in the policy, shall be sufficient proof of notice.

(6) When an automobile liability insurance policy is cancelled other than for nonpayment of premium, or in the event of failure to renew a policy of automobile liability insurance to which subsection (4) applies, the insurer shall notify the named insured of his possible eligibility for automobile liability insurance coverage through the Kentucky Automobile Assigned Risk Plan. Such notice shall accompany or be included in the notice of cancellation or the notice of intent not to renew.

(7) Where the reason for cancellation does not accompany or is not included in the notice of cancellation, the insurer shall upon written request of the named insured, mailed or delivered to the insurer not less than fifteen days prior to the effective date of cancellation, specify in writing the reason for such cancellation. Such reason shall be mailed or delivered to the named insured within five days after receipt of such request.

(8) There shall be no liability on the part of and no cause of action of any nature shall arise against the commissioner or against any insurer, its authorized representative, its agents, its employes, or any firm, person or corporation furnishing to the insurer information as to reasons for cancellation, for any statement made by any of them in any written notice of cancellation, or in any other communication, oral or written specifying the reasons for cancellation, or the providing of information pertaining thereto, or for statements made or evidence submitted at any hearings conducted in connection therewith.

Section 5. A new section of Subtitle 20 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

A provision agreeing to arbitrate any or all disputes that may arise at some future date contained in an automobile liability or motor vehicle liability insurance policy delivered, issued for delivery or renewed in this state, shall not be binding upon the named insured or any person claiming under him.

SUBTITLE 21

Section 1. A new section of Subtitle 21 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

All contracts of surety insurance covering subjects of insurance resident, located, or to be performed in this state are subject to the applicable provisions of this subtitle, Subtitle 14, and other applicable provisions of this code.

Section 2. A new section of Subtitle 21 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) Whenever an insurer has been granted a certificate of authority to transact surety insurance in this state, the com-

missioner shall on the first day of the next succeeding month send to the county court clerk of each county in this state his certificate, over the seal of his office, stating that such insurer has complied with the laws of this state and is authorized to transact a business as surety in this state. The county court clerk shall record the certificate and it shall become a permanent part of the records of the county court clerk.

(2) The commissioner shall on the first days of March and October of each year forward to each county court clerk a list containing the names of all surety insurers, foreign and domestic, which are then authorized to transact business in the state.

(3) The county court clerks shall preserve such list on the files of the court, open to public inspection.

Section 3. A new section of Subtitle 21 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

If a theretofore authorized surety insurer withdraws from this state or if its certificate of authority is terminated, the commissioner shall give notice thereof forthwith by mailing a certificate of such fact to the county court clerk of each county in this state. Upon receipt of the certificate the county court clerk shall enter a notation across the face of the record of the certificate of authority of the insurer as referred to in Section 2 of Subtitle 21 of this Act, showing the withdrawal of the insurer or the termination of its certificate of authority, as the case may be, together with the date thereof.

Section 4. A new section of Subtitle 21 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) The commissioner is authorized to issue to any person applying therefor, a certificate showing that any surety insurer that has complied with the laws of this state, is qualified to do a surety business in this state, and stating the general terms of the risks authorized to be so written.

(2) Any such certificate or any certified copy of any uncancelled certificate, shall be received in evidence as a sufficient justification of such surety and its authority to do business in this state; provided, however, that the certificate of the county court clerk to any such certified copy, or any certificate furnished

directly by the commissioner to an applicant therefor, must bear a date the same as, or later than the date of the bond, undertaking or obligation upon which justification is being made.

Section 5. A new section of Subtitle 21 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) Whenever a bond, undertaking, recognizance, guaranty or other obligation is required, permitted, authorized or allowed, or whenever the performance of any act, duty or obligation, or forbearance is required, permitted, authorized or allowed to be secured or guaranteed, such bond, undertaking, recognizance or other obligation, or such security or guaranty, may be executed by an insurer authorized in this state to transact surety insurance, and such insurers are authorized and empowered to execute all such instruments.

(2) In case two or more of such insurers execute any such instrument, each of such insurers is hereby authorized and empowered to limit its liability therein to an amount less than the aggregate penalty of such instrument and also to limit its liability to a pro rata part of any and all losses under such instrument.

(3) The execution by any such insurer of such bond, undertaking, recognizance, guaranty or other obligation by an officer, attorney-in-fact or other authorized representative shall be sufficient and be accepted as and be a full compliance with every law or other requirement now in force or that may, hereafter be enacted or made, that such bond, undertaking, recognizance, guaranty or like obligation be required or permitted to be executed by a surety or sureties, or that such surety or sureties be residents, householders or freeholders, or possess any other qualifications.

(4) An insurer may be released from its liability on the same terms and conditions as are by law prescribed for the release of individuals.

(5) It is the true intent and meaning of this section to enable corporations for that purpose to become surety on bonds required by law, subject to all the rights and liabilities of private individuals.

Section 6. A new section of Subtitle 21 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

The certificate of authority of a surety insurer, issued as provided under this code, shall be evidence of the authority of the insurer to become and to be accepted as sole surety on all private bonds and contracts, and on all bonds, undertakings, recognizances and obligations required or permitted by law or the charter, ordinances, rules or regulations of any municipality, board, body, organization or public officer and of the solvency and credit of such insurer for all authorized purposes and its sufficiency as such surety.

Section 7. A new section of Subtitle 21 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

Any court or officer whose duty it is to pass upon the account of any person required by law to give a bond may, whenever such person has given any such surety insurer as surety upon the bond, allow in the settlement of such account a reasonable sum for the expense of procuring such surety.

Section 8. A new section of Subtitle 21 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

Any insurer which executes any surety contract as surety shall be estopped, in any proceeding to enforce the liability which it has assumed to incur, to deny its corporate power to execute such contract or assume such liability.

SUBTITLE 22

Section 1. A new section of Subtitle 22 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

All contracts of title insurance delivered or issued for delivery in this state and covering subjects located in this state are subject to the applicable provisions of this subtitle, Subtitle 14, and other applicable provisions of this code.

Section 2. A new section of Subtitle 22 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) Every title insurer shall, before use in this state, file with the commissioner its schedule of rates and charges for

title insurance, and thereafter every modification or amendment thereof.

(2) Rates and charges for title insurance shall not be excessive, inadequate, or unfairly discriminatory.

(3) The insurer shall adhere to the rates and charges as so filed by it.

Section 3. A new section of Subtitle 22 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

A title insurer shall have corporate powers as set forth in KRS 271.125, and in addition shall have power to:

(1) Examine titles to real estate and chattels real, and to procure and furnish information relative thereto.

(2) Make and guarantee the correctness of searches of all instruments, liens, or charges affecting the titles set out in subsection (1).

(3) Make insurance of every kind pertaining to or connected with titles to real estate; and to make and issue such policies and other instruments as may be required to insure owners of real estate, mortgages, and others having an interest therein, from loss by reason of liens, encumbrances, and defective titles.

(4) Act as trustee under mortgages or deeds of trust executed to secure payment of bonds where the title to the real estate included in the mortgage or deed of trust has been examined and approved by the insurer; to act as agent in fact for investors in, and the holders of mortgages or deeds of trust or bonds, notes or other evidences of indebtedness mentioned in Subtitle 7, in the purchase, sale and servicing thereof.

(5) To acquire and hold, subject to KRS 271.145 and Subtitle 7, such real and personal property as may be necessary or convenient for the conduct of its business, including real estate taken in satisfaction of debts due the insurer or by subrogation under its guaranties or insurance, and to sell, lease, pledge, mortgage and convey such property.

Section 4. A new section of Subtitle 22 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

An insurer shall not in any manner guarantee the payment of the principal or the interest of bonds or other obligations executed by others.

SUBTITLE 23

Section 1. A new section of Subtitle 23 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

All contracts of mortgage guaranty insurance delivered or issued for delivery in this state and covering subjects located in this state are subject to the applicable provisions of this subtitle, Subtitle 14, and other applicable provisions of this code.

Section 2. A new section of Subtitle 23 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) An insurer, in order to qualify for writing mortgage guaranty insurance, must have the same capital and surplus as that required by Section 12 of Subtitle 3 of this Act.

(2) An insurer transacting any class of insurance other than mortgage guaranty insurance is not eligible for the issuance of a certificate of authority to transact mortgage guaranty insurance in this state, nor the renewal thereof.

Section 3. A new section of Subtitle 23 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

A mortgage guaranty insurer shall not at any time have outstanding a total liability net of reinsurance, in excess of twenty-five times its capital, unassigned funds and contingency reserve. It shall not insure loans secured by properties in a single housing tract or a contiguous tract (not separated by more than one-half mile) in excess of 10 percent of its capital, unassigned funds and contingency reserve.

Section 4. A new section of Subtitle 23 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

No bank, savings and loan association, insurance company or other lending institution, any of whose authorized real estate securities are insured by mortgage guaranty insurance companies

may state in any brochure, pamphlet, report or any form of advertising that the real estate loans of the bank, savings and loan association, insurance company or other lending institution are "insured loans" unless the brochure, pamphlet, report or advertising also clearly states that the loans are insured by private insurers and the names of the private insurers are given and shall not make any such statement at all unless such insurance is by an insurer authorized to write this coverage in this state.

SUBTITLE 24

Section 1. A new section of Subtitle 24 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

This subtitle shall apply only to domestic stock insurers and domestic mutual insurers transacting or proposing to transact insurance on the cash premium or legal reserve plan, except that Sections 16, 31, and 25 of Subtitle 24 of this Act, shall also apply to foreign and alien insurers.

Section 2. A new section of Subtitle 24 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) A "stock" insurer is as defined in Section 1 of Subtitle 3 of this Act.

(2) A "mutual" insurer is as defined in Section 2 of Subtitle 3 of this Act.

Section 3. A new section of Subtitle 24 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

Domestic stock and mutual insurers shall be governed by the applicable provisions of the general statutes of this state relating to private corporations organized for profit, as such statutes are now or hereafter may be constituted, except where such general statutes are in conflict with the express provisions of this subtitle and the reasonable implications thereof, and in which case the provisions of this subtitle shall govern.

Section 4. A new section of Subtitle 24 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) This section applies to stock and mutual insurers hereafter incorporated in this state. Such an insurer may be formed

for the purpose of transacting any kind or kinds of insurance, as well as annuity business.

(2) Incorporators. Three or more individuals, none of whom is less than eighteen years of age, may incorporate a stock insurer; ten or more such individuals may incorporate a mutual insurer. At least a majority of the incorporators must be citizens of the United States. At least a majority of the incorporators must be residents of Kentucky.

(3) Articles. The incorporators shall deposit the articles of incorporation, in quadruplicate originals, with the commissioner, and such articles shall not be filed with the Secretary of State until approved by the commissioner as provided in Section 5 of Subtitle 24 of this Act, and the commissioner's approval has been stamped upon or otherwise attached to the articles. In addition to the applicable requirements of laws in this state governing the incorporation of business corporations generally:

(a) The name of the corporation, which shall be subject to Section 1 of Subtitle 3 of this Act, shall contain the words "insurance company;" if a mutual, the word "mutual" must be a part of the name.

(b) The articles of incorporation shall specify the kind or kinds of insurance proposed to be transacted.

(c) Each share of capital stock shall have a par value of not less than $1.

(d) If a mutual, the articles of incorporation shall state the maximum contingent liability of its members, other than as to nonassessable policies, for payment of losses and expenses incurred. Such liability shall be as stated in the articles of incorporation, but shall not be less than one or more than six times the premium for member's policy at the annual premium rate for a term of one year.

(e) The names and residence addresses of the incorporators.

Section 5. A new section of Subtitle 24 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) Upon receipt of the articles of incorporation of the proposed insurer, the commissioner shall submit such articles to the Attorney General for examination. Within ten days after

receipt thereof the Attorney General shall return the articles to the commissioner with a written statement as to whether the articles comply with law.

(2) If the Attorney General has found the articles to be in compliance with law and has so stated to the commissioner, the commissioner shall stamp or otherwise certify his approval thereon, retain one copy of the articles for his files and deliver the remaining three copies of the articles to the incorporators for filing as provided by laws governing business corporations generally.

(3) The incorporators shall concurrently file with the commissioner duplicates of filings made on behalf of the corporation with the Director of the Division of Securities pursuant to KRS Chapter 292, and upon compliance with the provisions of such chapter governing sale of securities, the incorporators may open books to receive subscriptions for capital stock of the corporation.

(4) After all stock stated by the articles as to the amount of capital with which the corporation will begin business (which shall not be less than the applicable minimum amounts required by the provisions of this code to qualify for authority to transact the kind of insurance specified by the articles) has been subscribed and paid for either in cash or in assets of the kind eligible for investment of a domestic insurer under this code, the incorporators shall make application for a certificate of authority as provided in Subtitle 3.

(5) In addition to the requirements of this subtitle, the incorporators shall also comply with such other applicable laws governing the organization of domestic business corporations as are not in conflict with the provisions of this subtitle.

Section 6. A new section of Subtitle 24 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) Upon receiving the application provided for in subsection (4) of Section 5 of Subtitle 24 of this Act, the commissioner shall make an examination of the affairs of the proposed corporation to ascertain whether it has complied with requirements of law and has fully paid-in capital stock and assets in amount necessary to qualify for authority to transact the kind

or kinds of insurance proposed to be transacted. As a part of such examination the commissioner shall require the incorporators or directors to certify, under oath, that assets exhibited to him are the bona fide property of the proposed corporation.

(2) If after such examination the commissioner finds that the proposed corporation is fully entitled thereto, he shall issue to it his certificate of authority to transact the kind or kinds of insurance for which it has qualified.

Section 7. A new section of Subtitle 24 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

The incorporation of an insurer shall be effective as of the date of issuance by the Secretary of State of its articles of incorporation; and thereupon the corporation shall be vested with all the powers, rights and privileges, and be subject to all the duties, liabilities and restrictions applicable to insurer corporations; subject, however, to qualification and application for, and issuance to the corporation of, a certificate of authority as an insurer by the commissioner under the provisions of this code.

Section 8. A new section of Subtitle 24 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) A domestic mutual insurer heretofore or hereafter formed may amend its articles of incorporation for any lawful purpose by affirmative vote of a majority of those of its members present or represented by proxy at any regular annual meeting of its members, or at any special meeting of members called for the purpose. Written notice of the proposed amendment shall be given members at least thirty days prior to the meeting, and may be given in the same manner and at the same time as notice of the meeting is given or in any other appropriate manner.

(2) Upon adoption of the amendment the insurer shall prepare articles of amendment in quadruplicate, setting forth the amendment and the date and manner of the adoption thereof. The articles of amendment shall be executed by the insurer's president or vice-president and secretary or assistant secretary, and be acknowledged by them before an officer authorized by law to take acknowledgements of deeds.

(3) The quadruplicate originals of the articles of amendment shall be delivered to the commissioner, shall be subject to examination and certification by the Attorney General, to approval by the commissioner, and to filing, all as provided for original articles of incorpoartion under Section 4 of Subtitle 24 of this Act. For filing articles of amendment of the articles of incorporation of a domestic mutual insurer the Secretary of State shall charge and collect a fee of $10, for credit to the general fund.

Section 9. A new section of Subtitle 24 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) A domestic stock insurer may amend its articles of incorporation for any lawful purpose through the same procedures prescribed in KRS Chapter 271.

(2) Quadruplicate originals of articles of amendment shall be delivered to the commissioner, shall be subject to examination and certification by the Attorney General, to approval by the commissioner, and to filing, all as provided for original articles of incorporation under Section 4 of Subtitle 24 of this Act.

Section 10. A new section of Subtitle 24 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) When newly organized, a domestic mutual insurer may be authorized to transact any one of the kinds of insurance listed in the schedule contained in subsection (2).

(2) When applying for an original certificate of authority, the insurer must be otherwise qualified therefor under this code, and must have received and accepted bona fide applications as to substantial insurable subjects for insurance coverage of a substantial character of the kind of insurance proposed to be transacted, must have collected in cash the full premium therefor at a rate not less than that usually charged by other insurers for comparable coverages, must have surplus funds on hand and deposited as of the date such insurance coverages are to become effective, or, in lieu of such applications, premiums, and surplus, may deposit and thereafter maintain surplus, all in accordance with that part of the following schedule which applies to the one kind of insurance the insurer proposes to transact:

(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
Kind of Insurance	Min. No. of Apps. Accepted	Min. No. Subjects Covered	Minimum Premium Collected	Min. Amt. Ins. ea. Subject	Max. Amt. Ins. ea. Subject (v)	Deposit of Min. Surplus Funds (vi)	Deposit of Surplus in Lieu (vi)
Life (i)	500	500	Annual	$1,000	$2,500	$50,000	$150,000
Disability (ii)	500	500	Quarterly	$ 15	$ 30	$50,000	$150,000
Life & Health	500	500	Quarterly	(weekly Indem.)	(weekly indem.)	$50,000	$150,000
Property (iii)	100	250	Annual	$1,000	$3,000	$50,000	$200,000
Casualty (iv) excluding surety and workmen's compensation	250	500	Annual	$1,000	$10,000	$100,000	$200,000
Casualty with workmen's compensation	250	1,500	Quarterly	$1,000	$10,000	$150,000	$250,000

Expendable Surplus: In addition to surplus deposited and thereafter to be maintained as shown in columns (g) or (h) above, the insurer when first authorized must have on hand surplus funds, which it can thereafter expend in the conduct of its business, in amount not less than fifty thousand dollars or fifty percent of the deposited surplus required of it under the above schedule, whichever is the larger amount.

The following provisions are respectively applicable to the foregoing schedule and provisions as indicated by like Roman numerals appearing in such schedule:

(i) No group insurance or term policies for terms of less than ten years shall be included.

(ii) No group, blanket or family plans of insurance shall be included. In lieu of weekly indemnity a like premium value in medical, surgical, and hospital benefits may be provided. Any accidental death or dismemberment benefit provided shall not exceed $2,500.

(iii) Only insurance of the owner's interest in real property may be included.

(iv) Must include insurance of legal liability for bodily injury and property damage, to which the maximum and minimum insured amounts apply.

(v) The maximums provided for in this column (f) are net of applicable reinsurance.

(vi) The deposit of surplus in the amount specified in columns (g) and (h) must thereafter be maintained unimpaired. The deposit is subject to the provisions of Subtitle 8.

Section 11. A new section of Subtitle 24 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) Before soliciting any applications for insurance required under Section 10 of Subtitle 24 of this Act as qualification for the original certificate of authority, the incorporators of the proposed insurer shall file with the commissioner a corporate surety bond in the penalty of $15,000, in favor of the state and for the use and benefit of the state and of applicant members and creditors of the corporation. The bond shall be conditioned as follows:

(a) For the prompt return to applicant members of all premiums collected in advance,

(b) For payment of all indebtedness of the corporation, and

(c) For payment of costs incurred by the state in event of any legal proceedings for liquidation or dissolution of the corporation,

all in the event the corporation fails to complete its organization and secure a certificate of authority within one year after the date of its certificate of incorporation.

(2) In lieu of such bond, the incorporators may deposit with the commissioner $15,000 in cash or United States government bonds negotiable and payable to the bearer, with a market value at all times of not less than $15,000, to be held in trust upon the same conditions as required for the bond.

(3) Any such bond filed or deposit or remaining portion thereof held under this section shall be released and discharged upon settlement and termination of all liabilities against it.

(4) In addition to the bond the proposed insurer shall file with the commissioner copies of any proposed form or policy to be offered and schedule of premium rates therefor, copies of all advertising and sales literature proposed to be used in such solicitation, and such other information relative to the solicitation of such insurance or procuring of such funds as the commissioner may reasonably require, all of which must comply with the law.

Section 12. A new section of Subtitle 24 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) Upon receipt of the commissioner's approval of the bond or deposit as provided in Section 11 of Subtitle 24 of this Act, the directors and officers of the proposed domestic mutual insurer may commence solicitation of such requisite applications for insurance policies as they may accept, and may receive deposits of premiums thereon.

(2) All such applications shall be in writing signed by the applicant, covering subjects of insurance resident, located or to be performed in this state.

(3) All such applications shall provide that:

(a) Issuance of the policy is contingent upon the insurer qualifying for and receiving a certificate of authority;

(b) No insurance is in effect unless and until the certificate of authority has been issued; and

(c) The prepaid premium or deposit, and membership or policy fee, if any, shall be refunded in full to the applicant if

organization is not completed and the certificate of authority is not issued and received by the insurer before a specified reasonable date, which date shall be not later than one year after the date of the certificate of incorporation.

(4) All qualifying premiums collected shall be in cash.

(5) Solicitation for such qualifying applicants for insurance shall be by licensed agents of the corporation, and the commissioner shall, upon the corporation's application therefor, issue temporary agent's licenses expiring on the date specified pursuant to subsection (3)(c) to individuals qualified as for a resident's license except as to the taking or passing of an examination. The commissioner may suspend or revoke any such license for any of the causes and pursuant to the same procedures as are applicable to suspension or revocation of licenses of agent's in general under Subtitle 9.

Section 13. A new section of Subtitle 24 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) All sums collected by a domestic mutual corporation as premiums or fees on qualifying applications for insurance therein shall be deposited in trust in a bank or trust company in this state under a written trust agreement consistent with this section and with subsection (3) (c) of Section 12 of Subtitle 24 of this Act and Section 14 of Subtitle 24 of this Act. The corporation shall file an executed copy of such trust agreement with the commissioner.

(2) Upon issuance to the corporation of a certificate of authority as an insurer for the kind of insurance for which such applications were solicited, all funds so held in trust shall become the funds of the insurer, and the insurer shall thereafter in due course issue and deliver its policies for which premiums had been paid and accepted. The insurance provided by such policies shall be effective as of the date of the certificate of authority or thereafter as provided by the respective policies.

Section 14. A new section of Subtitle 24 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

If the proposed domestic insurer fails to complete its organization and to secure its original certificate of authority within

one year after the date of its certificate of incorporation, its corporate powers shall cease, and the commissioner shall return or cause to be returned to the persons entitled thereto all advance deposits or payments of premiums held in trust under Section 13 of Subtitle 24 of this Act.

Section 15. A new section of Subtitle 24 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

After being authorized to transact one kind of insurance a mutual insurer may be authorized by the commissioner to transact additional kinds of insurance by compliance with the applicable financial requirements set forth in Section 10 of Subtitle 24 of this Act and by otherwise complying with the applicable provisions of this code.

Section 16. A new section of Subtitle 24 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) Each policyholder of a domestic mutual insurer, other than of a reinsurance contract, is a member of the insurer with all rights and obligations of such membership, and the policy shall so specify.

(2) Any person, government or governmental agency, state or political subdivision thereof, public or private corporation, board, association, firm, estate, trustee or fiduciary may be a member of a domestic, foreign, or alien mutual insurer. Any officer, stockholder, trustee or legal representative of any such corporation, board, association or estate may be recognized as acting for or on its behalf for the purpose of such membership, and shall not be personally liable upon any contract of insurance for acting in such representative capacity.

(3) Any domestic corporation may participate as a member of a mutual insurer as an incidental purpose for which such corporation is organized.

Section 17. A new section of Subtitle 24 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) A domestic mutual insurer shall have bylaws for the government of its affairs. The insurer's initial board of directors shall adopt original bylaws, subject to the approval of the insurer's members at the next meeting of members.

(2) The bylaws shall contain provisions, consistent with this code, relating to:

(a) The voting rights of members;

(b) Election of directors, and the number, qualifications, terms of office and powers of directors;

(c) Annual and special meetings of members;

(d) The number, designation, election, terms and powers and duties of the respective corporate officers;

(e) Deposit, custody, disbursement and accounting for corporate funds;

(f) Fidelity bonds covering officers and employes of the insurer handling its funds, to be issued by the corporate surety and to be in such amount as may be reasonable; and

(g) Such other matters as may be customary, necessary, or convenient for the management or regulation of corporate affairs.

(3) The insurer shall promptly file with the commissioner a copy, certified by the insurer's secretary, of its bylaws and of every modification thereof or addition thereto. The commissioner shall disapprove any bylaw provision deemed by him, after a hearing held thereon, to be unlawful, unreasonable, inadequate, unfair or detrimental to the proper interests or protection of the insurer's members or any class thereof. The insurer shall not, after receiving written notice of such disapproval and during the existence thereof, effectuate any bylaw provision so disapproved.

Section 18. A new section of Subtitle 24 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) A domestic mutual insurer is owned by and shall be operated in the interest of its members.

(2) With respect to the management, records and affairs of the insurer, a member of a mutual insurer shall have the same character of rights and relationship as a stockholder has toward a domestic stock insurer, subject to the provisions of this code.

Section 19. A new section of Subtitle 24 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) Meetings of members of a domestic mutual insurer

shall be held in the city or town of its registered office in this state, except as may otherwise be provided in the insurer's by-laws with the commissioner's approval.

(2) Each such insurer shall, during the first six months of each calendar year, hold the annual meeting of its members to fill vacancies existing or occurring in the board of directors, receive and consider reports of the insurer's officers as to its affairs and transact such other business as may properly be brought before it.

(3) Written notice of the time and place of the annual meeting of members shall be given members not less than thirty days prior to the meeting. Notice may be given by imprinting the notice plainly on the policies issued by the insurer or in any other appropriate manner. Any change of the date or place of the annual meeting shall be made only by an annual meeting of members. Notice of such change, among other appropriate methods may be given:

(a) By imprinting such new date or place on all policies which will be in effect as of the date of such changed meeting; or

(b) Unless the commissioner otherwise orders, notice of the new date or place need be given only through policies issued after the date of the annual meeting at which such change was made and in premium notices and renewal certificates issued during the twenty-four months immediately following such meeting.

(4) If more than six months are allowed to elapse after an annual meeting of members is due to be held without such annual meeting being held, the commissioner shall, upon written request of any officer, director, or member of the insurer, cause written notice of such meeting to be given to the insurer's members, and the meeting shall be held as soon as reasonably possible thereafter.

Section 20. A new section of Subtitle 24 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) A special meeting of the members of a mutual insurer may be held for any lawful purpose. The meeting shall be called by the corporate secretary pursuant to request of the insurer's president or of its board of directors, or upon request in writing

signed by not less than one-tenth of the insurer's members. The meeting shall be held at such time as the secretary may fix, but not less than ten nor more than thirty days after receipt of the request. If the secretary fails to issue such call, the president, directors, or members making the request may do so.

(2) Not less than ten days' written notice of the meeting shall be given. Notice addressed to the insurer's members at their respective post office addresses last of record with the insurer and deposited, postage prepaid, in a letter depository of the United States post office, shall be deemed to have been given when so mailed. In lieu of mailed notice the insurer may publish the notice in such publication or publications as shall afford a majority of its members a reasonable opportunity to have actual advance notice of the meeting. The notice shall state the purpose of the meeting, and no business shall be transacted at the meeting of which notice was not so given.

Section 21. A new section of Subtitle 24 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) Each member of a mutual insurer is entitled to one vote upon each matter coming to a vote at meetings of members.

(2) A member shall have the right to vote in person or by his written proxy filed with the corporate secretary not less than five days prior to the meeting, and votes may be cast as prescribed in Section 207 of the Constitution of this state. No such proxy shall be made irrevocable, nor be valid beyond the earlier of the following dates:

(a) The date of expiration set forth in the proxy;

or

(b) The date of termination of membership.

(3) No member's vote upon any proposal to divest the insurer of its business or assets, or the major part thereof, shall be registered or taken except in person or by proxy newly executed and specified as to the matter to be voted upon.

Section 22. A new section of Subtitle 24 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) Except as otherwise provided in Section 26 of Subtitle 24 of this Act with respect to nonassessable policies, each mem-

ber of a domestic mutual insurer shall have a contingent liability, pro rata and not one for another, for the discharge of its obligations, which contingent liability shall be in such maximum amount as is specified in the insurer's articles of incorporation consistent with subsection (3) (d) of Section 4 of Subtitle 24 of this Act.

(2) Every policy issued by the insurer shall contain a statement of the contingent liability.

(3) Termination of the policy of any such member shall not relieve the member of contingent liability for his proportion of the obligations of the insurer which accrued while the policy was in force as provided in Section 23 of Subtitle 24 of this Act.

(4) Unrealized contingent liability of members does not constitute an asset of the insurer in any determination of its financial condition.

Section 23. A new section of Subtitle 24 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) If at any time the assets of a domestic mutual insurer are less than its liabilities and the minimum amount of surplus required to be maintained by it under this code for authority to transact the kinds of insurance being transacted, and the deficiency is not cured from other sources, its directors may, if the same is approved by the commissioner, levy an assessment only on its members who held policies providing for contingent liability at any time within the twelve months next preceding the date the levy was authorized by the board of directors, and such members shall be liable to the insurer for the amount so assessed.

(2) The levy of assessment shall be for such an amount, subject to the commissioner's approval, as is required to cure such deficiency and to provide a reasonable amount of working funds above such minimum amount of surplus, but such working funds so provided shall not exceed 5 percent of the sum of the insurer's liabilities and such minimum required surplus as of the date of the levy.

(3) As to the respective policies subject to the levy, the assessment shall be computed upon such reasonable basis as

may be approved by the commissioner in writing in advance of the levy.

(4) No member shall have an offset against any assessment for which he is liable, on account of any claim for unearned premium or loss payable.

(5) As to life insurance, any part of such assessment upon a member which remains unpaid following notice of assessment, demand for payment, and lapse of a reasonable waiting period as specified in such notice, may, if approved by the commissioner as being in the best interests of the insurer and its members, be secured by placing a lien upon the cash surrender values and accumulated dividends held by the insurer to the credit of the member.

Section 24. A new section of Subtitle 24 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) The insurer shall notify each member of the amount of the assessment to be paid by written notice mailed to the member's last address of record with the insurer. Failure of the member to receive the notice so mailed, within the time specified therein for the payment of the assessment or at all, shall be no defense in any action to collect the assessment.

(2) If a member fails to pay the assessment within the period specified in the notice, which period shall not be less than twenty days after mailing, the insurer may institute suit to collect the same.

Section 25. A new section of Subtitle 24 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) A domestic mutual insurer while maintaining unimpaired surplus funds not less in amount than the minimum paid-in capital stock and surplus required to be maintained by a domestic stock insurer, formed under this code, for authority to transact the same kinds or kind of insurance, may, upon receipt of the commissioner's order so authorizing, extinguish the contingent liability to assessment of its members as to all its policies in force and may omit provisions imposing contingent liability in all policies currently issued.

(2) The commissioner shall not authorize a domestic in-

surer to extinguish the contingent liability of any of its members or in any of its policies to be issued, unless it qualifies to and does extinguish such liability of all its members and in all such policies for all kinds of insurance transacted by it.

(3) A foreign or alien mutual insurer may issue nonassessable policies to its members in this state pursuant to its charter and the laws of its domicile.

Section 26. A new section of Subtitle 24 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) The commissioner shall revoke the authority of a domestic mutual insurer to issue policies without contingent liability if

(a) At any time the insurer's assets are less than the sum of its liabilities and the surplus required for such authority, or

(b) The insurer, by resolution of its board of directors approved by a majority of its members, requests that the authority be revoked.

(2) During the absence of such authority the insurer shall not issue any policy without providing therein for the contingent liability of the policyholder, nor renew any policy which is then in force without endorsing the same to provide for such contingent liability.

Section 27. A new section of Subtitle 24 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

No director or officer of any insurer shall receive any money or thing of value for negotiating, procuring, recommending or aiding in any purchase or sale by the insurer of any property or investment, or any loan from or to the insurer, nor be pecuniarily interested, either as principal, co-principal, agent, or beneficiary, in any such purchase, sale, or loan, nor shall such insurer guarantee in any manner any financial obligation of any such officer or director.

Section 28. A new section of Subtitle 24 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) No insurer shall hereafter make any contract whereby any person is granted or is to enjoy in fact the management of

the insurer to the substantial exclusion of its board of directors, or to have the controlling or preemptive right to produce substantially all insurance business for the insurer, or, if an officer, director or otherwise part of the insurer's management, is to receive any commission, bonus or compensation based upon the volume of the insurer's business or transactions, unless the contract is filed with and approved by the commissioner. The contract shall be deemed approved unless disapproved by the commissioner within twenty days after date of filing, subject to such reasonable extension of time as the commissioner may require by notice given within such twenty days. Any disapproval shall be delivered to the insurer in writing, stating the grounds therefor.

(2) Any such contract shall provide that any such manager or producer of its business shall within ninety days after expiration of each calendar year furnish the insurer's board of directors a written statement of amounts received under or on account of the contract and amounts expended thereunder during such calendar year, including the emoluments received therefrom by the respective directors, officers, and other principal management personnel of the manager or producer, and with such classification of items and further detail as the insurer's board of directors may reasonably require.

(3) The commissioner shall disapprove any such contract if he finds that it:

(a) Subjects the insurer to excessive charges; or

(b) Is to extend for any unreasonable length of time; or

(c) Does not contain fair and adequate standards of performance; or

(d) Contains other inequitable provision or provisions which impair the proper interests of stockholders or policyholders of the insurer.

(4) The commissioner may, after a hearing held thereon, withdraw his approval of any such contract theretofore approved by him, if he finds that the bases of his original approval no longer exist, or that the contract has in actual operation, shown itself to be subject to disapproval on any of the grounds referred to in subsection (3).

(5) This section does not apply as to contracts entered into prior to the effective date of this code, nor to extensions or amendments to such contracts, nor to relationships and agreements between parents, subsidiaries, or affiliates.

Section 29. A new section of Subtitle 24 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

The insurer shall establish and maintain in this state its principal office and place of business. The insurer's principal records shall be kept at its principal office.

Section 30. A new section of Subtitle 24 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) A domestic stock or mutual insurer may borrow money to defray the expenses of its organization, provide it with surplus funds, or for any purpose of its business, upon a written agreement that such money is required to be repaid only out of the insurer's surplus in excess of that stipulated in such agreement. The agreement may provide for interest, which interest shall or shall not constitute a liability of the insurer as to its funds other than such excess of surplus, as stipulated in the agreement. No commission or promotion expense shall be paid in connection with any such loan, except that if public offering and sale is made of the loan securities, the insurer may pay the reasonable costs thereof approved by the commissioner.

(2) Money so borrowed, together with the interest thereon if so stipulated in the agreement, shall not form a part of the insurer's legal liabilities except as to its surplus in excess of the amount thereof stipulated in the agreement, or be the basis of any setoff; but until repaid, financial statements filed or published by the insurer shall show as a footnote thereto the amount thereof then unpaid together with any interest thereon accrued but unpaid.

(3) Any such loan shall be subject to the commissioner's approval. The insurer shall in advance of the loan, file with the commissioner a statement of the purpose of the loan and a copy of the proposed loan agreement. The loan and agreement shall be deemed approved unless within fifteen days after date of such filing the insurer is notified of the commissioner's disapproval and the reasons therefor. The commissioner shall disap-

prove any proposed loan or agreement if he finds the loan is unnecessary or excessive for the purpose intended, or that the terms of the loan agreement are not fair and equitable to the parties and to other similar lenders, if any, to the insurer, or that the information so filed by the insurer is inadequate.

(4) Any such loan or substantial portion thereof shall be repaid by the insurer when no longer reasonably necessary for the purpose originally intended. No repayment of such a loan shall be made unless approved in advance by the commissioner.

(5) This section shall not apply to other kinds of loans obtained by the insurer in ordinary course of business, nor to loans secured by pledge or mortgage of assets.

Section 31. A new section of Subtitle 24 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) If provided for in its articles of incorporation or charter, a stock insurer or mutual insurer may issue any or all of its policies or contracts with or without participation in profits, savings, unabsorbed portions of premiums, may classify policies issued and risks insured on a participating and nonparticipating basis, and, subject to Section 38 of Subtitle 15 of this Act, may determine the right to participate and the extent of participation of any class or classes of policies. Any such classification or determination shall be reasonable.

(2) A life insurer may issue both participating and nonparticipating policies or contracts, only if the right or absence of right to participate is reasonably related to the premium charged.

(3) No dividend, otherwise earned, shall be made contingent upon the payment of renewal premium on any policy or contract.

Section 32. A new section of Subtitle 24 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) An insurer shall not pay any dividend to stockholders except out of that part of its surplus funds which is derived from any realized net profits. No cash dividend shall be paid nor distribution of assets made out of any surplus funds resulting from a decrease of capital stock effective within two years prior to the declaration of the dividend.

(2) "Surplus funds" means the excess of the insurer's assets over its liabilities, including its capital stock as a liability.

Section 33. A new section of Subtitle 24 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) The directors of a mutual insurer may from time to time apportion and pay to its members dividends only out of that part of its surplus which is in excess of its required minimum surplus and which represents net realized savings and net realized earnings.

(2) Such dividends shall be paid or credited to policyholders according to such reasonable classifications of its policies as the directors may in their discretion from time to time establish. No dividend shall be paid which unfairly discriminates as between policies within the same classification.

Section 34. A new section of Subtitle 24 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

A domestic insurer duly authorized to transact insurance in another jurisdiction may issue policies for delivery in such jurisdiction pursuant to applications for insurance solicited and obtained therein, in accordance with the laws thereof, subject only to such restrictions, if any, as may be contained in the insurer's charter or bylaws.

Section 35. A new section of Subtitle 24 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) If the assets of an insurer at any time are less than its liabilities, including its capital stock as a liability, if a stock insurer, or its minimum required surplus if a mutual insurer, the commissioner shall forthwith determine the amount of such deficiency and give notice to the insurer to make good the deficiency within ninety days after the giving of such notice.

(2) The insurer may cure the deficiency by a decrease of its capital stock or by other lawful means. The deficiency shall be made good in cash or in assets eligible under this code for investment of the insurer's funds or by decrease of the insurer's capital stock to an amount not below the minimum required for the kinds of insurance to be thereafter transacted.

(3) If the deficiency is not made good and proof thereof filed with the commissioner within such ninety-day period, the commissioner shall revoke the insurer's certificate of authority, the insurer shall be deemed insolvent, and shall be proceeded against as authorized by this code.

Section 36. A new section of Subtitle 24 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) A stock insurer may become a mutual insurer under such reasonable plan and procedure as may be approved by the commissioner after a hearing thereon.

(2) The commissioner shall not approve any such plan or procedure of mutualization unless:

(a) He finds that it is equitable to stockholders and policyholders;

(b) It is subject to approval by the holders of not less than three-fourths of the insurer's outstanding capital stock having voting rights, and by not less than two-thirds of the insurer's policyholders, who vote on such plan in person, by proxy, or by mail, pursuant to such reasonable notice and procedure as may be approved by the commissioner;

(c) If a life insurer, the right to vote thereon is limited to holders of policies, other than term or group policies, whose policies have been in force for more than one year;

(d) Mutualization will result in retirement of shares of the insurer's capital stock at a price not in excess of the fair market value thereof as determined by competent disinterested appraisers;

(e) The plan provides for the purchase of the shares of any dissenting stockholder in the same manner and subject to the same applicable conditions as provided by KRS Chapter 271 as to rights of dissenting stockholders with respect to merger or consolidation of business corporations;

(f) The plan provides for definite conditions to be fulfilled by a designated early date upon which such mutualization will be deemed effective; and

(g) The mutualization leaves the insurer with surplus funds reasonably adequate for the security of its policyholders

and to enable it to continue successfully in business in the states in which it is then authorized to transact insurance and for the kinds of insurance included in its certificates of authority in such states.

(3) This section shall not apply to mutualization under order of court pursuant to rehabilitation or reorganization of an insurer under Subtitle 33.

Section 37. A new section of Subtitle 24 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

A domestic stock insurer may convert to a Kentucky ordinary business corporation through the following procedures:

(1) The insurer shall give the commissioner written notice of its intent to convert to an ordinary business corporation;

(2) The insurer shall bulk reinsure all of its insurance, if any, in force, with another authorized insurer under a bulk reinsurance agreement approved by the commissioner as provided in Section 42 of Subtitle 24 of this Act. The agreement of bulk reinsurance may be made contingent upon approval of stockholders as provided in subsection (4);

(3) The insurer shall set aside funds in a special reserve in such amount and subject to such administration as may be found by the commissioner to be reasonable and adequate for the purpose, for payment of all obligations, if any, of the insurer incurred by it and remaining unpaid under its insurance contracts prior to the effective date of such bulk reinsurance, or make other reasonable disposition satisfactory to the commissioner for such payment;

(4) The proposed conversion shall be approved by affirmative vote of not less than two-thirds of each class of outstanding securities of the insurer having voting rights, at a special meeting of holders of such securities called for the purpose; and at such meeting and by a like vote the certificate of organization of the corporation shall be amended to remove therefrom the power to transact an insurance business as an insurer, to provide for such new powers and purposes authorized by the general corporation laws of this state as may be consistent with the purposes for which the corporation is thereafter to exist, and to

make such further alterations in the certificate of organization as may be required under such general corporation laws of an ordinary business corporation;

(5) Security holders of the corporation who dissent from such proposed conversion shall have the same applicable rights as exist under such general corporation laws with respect to dissent from a proposed merger of the corporation; and

(6) Upon compliance with subsections (1) to (4) inclusive, and upon filing of the amendment of the certificate of organization with the commissioner and otherwise as required by laws applicable to ordinary business corporations, the conversion shall thereupon become effective.

Section 38. A new section of Subtitle 24 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) A mutual insurer may become a stock insurer under such plan and procedure as may be approved by the commissioner after a hearing thereon.

(2) The commissioner shall not approve any such plan or procedure unless:

(a) It is equitable to the insurer's members;

(b) It is subject to approval by vote of not less than three-fourths of the insurer's current members voting thereon in person, by proxy, or by mail at a meeting of members called for the purpose pursuant to such reasonable notice and procedure as may be approved by the commissioner; if a life insurer, right to vote may be limited to members who hold policies other than term or group policies, and whose policies have been in force for not less than one year;

(c) The equity of each policyholder in the insurer is determined under a fair formula approved by the commissioner, which equity shall be based upon not less than the insurer's entire surplus (after deducting contributed or borrowed surplus funds) plus a reasonable present equity in its reserves and all nonadmitted assets;

(d) The policyholders entitled to participate in the purchase of stock or distribution of assets shall include all current policyholders and all existing persons who had been policyhold-

ers of the insurer within three years prior to the date such plan was submitted to the commissioner;

(e) The plan gives to each policyholder of the insurer as specified in subsection (d), a preemptive right to acquire his proportionate part of all of the proposed capital stock of the insurer, within a designated reasonable period, and to apply upon the purchase thereof the amount of his equity in the insurer as determined under subsection (c);

(f) Shares are so offered to policyholders at a price not greater than offered to others;

(g) The plan provides for payment to each policyholder not electing to apply his equity in the insurer for or upon the purchase price of stock to which preemptively entitled, of cash in the amount of not less than 50 percent of the amount of his equity not so used for the purchase of stock, and which cash payment together with stock so purchased, if any, shall constitute full payment and discharge of the policyholder's equity as an owner of such mutual insurer; and

(h) The plan, when completed, would provide for the converted insurer paid-in capital stock and surplus in an amount not less than the minimum paid-in capital stock and maintained surplus required of a domestic stock insurer transacting like kinds of insurance, together with expendable surplus funds in amount not less than one-half of such required capital stock and maintained surplus.

Section 39. A new section of Subtitle 24 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) A domestic stock insurer may merge or consolidate with one or more domestic or foreign stock insurers, by complying with the applicable provisions of the statutes of this state governing the merger or consolidation of stock corporations formed for profit, but subject to subsections (2) and (3).

(2) No such merger or consolidation shall be effectuated unless in advance thereof the plan and agreement therefor have been filed with the commissioner and approved in writing by him after a hearing thereon. The commissioner shall give such approval within a reasonable time after such filing unless he finds such plan or agreement:

(a) Is contrary to law; or

(b) Inequitable to the stockholders of the insurers involved; or

(c) Would substantially reduce the security of and service to be rendered to policyholders of the domestic insurer in this state or elsewhere; or

(d) Would materially tend to lessen competition in the insurance business in this state or elsewhere as to the kinds of insurance involved, or would materially tend to create a monoply as to such business; or

(e) Is subject to other material and reasonable objections.

(3) No director, officer, agent or employe of any insurer party to such merger or consolidation, or member of the family of such director, officer, agent, or employe, shall receive any fee, commission, compensation or other valuable consideration whatsoever for in any manner aiding, promoting or assisting therein except as set forth in such plan or agreement.

(4) If the commissioner does not approve any such plan or agreement he shall so notify the insurer in writing specifying his reasons therefor.

Section 40. A new section of Subtitle 24 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) A domestic stock insurer shall not acquire a controlling interest in the shares of another stock insurer by an exchange of securities or partly in exchange for securities and partly for cash or property, unless the insurer has first submitted the plan for such acquisition and exchange to the commissioner and the commissioner has approved the same.

(2) The commissioner shall not so approve unless he finds the plan for such acquisition and exchange and the terms and conditions thereof to be fair and equitable to all parties concerned therein, after a hearing to which all persons to whom it is proposed to issue securities in such exchange shall have the right to appear.

(3) Notice and conduct of such hearing shall be as provided in Subtitle 2.

Section 41. A new section of Subtitle 24 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) Any person proposing to acquire the controlling capital stock of any domestic stock insurer and thereby to change the control of the insurer, other than through merger or consolidation or affiliation as provided for in this subtitle, shall first apply to the commissioner in writing for approval of such proposed change of control. The application shall state the names and addresses of the proposed new owners of the controlling stock or shares and contain such additional information as the commissioner may reasonably require.

(2) The commissioner shall not approve the proposed change of control if he finds:

(a) That the proposed new owners are not qualified by character, experience and financial responsibility to control and operate the insurer, or cause the insurer to be operated, in a lawful and proper manner; or

(b) That as a result of the proposed change of control the insurer may not be qualified for a certificate of authority under the provisions of Subtitle 3; or

(c) That the interests of the insurer or other stockholders of the insurer or policyholders would be impaired through the proposed change of control; or

(d) That the proposed change of control would tend materially to lessen competition, or to create any monopoly, as to kinds of insurance involved, in this state or elsewhere.

(3) If the commissioner does not by affirmative action approve or disapprove the proposed change of control within thirty days after the date such application was so filed with him, the proposed change may be made without such approval. But if the commissioner gives notice to the parties of a hearing to be held by him with respect to the proposed change of control, and the hearing is held within such thirty days or on a date mutually acceptable to the commissioner and the parties, the commissioner shall have ten days after the conclusion of the hearing within which to so approve or disapprove the proposed change; and if not so approved or disapproved, the change may thereafter be made without the commissioner's approval.

(4) If the commissioner disapproves the proposed change he shall give written notice thereof to the parties, setting forth in detail the reasons for disapproval.

(5) The commissioner may suspend or revoke the certificate of authority of any insurer the control of which has been changed in violation of this section.

Section 42. A new section of Subtitle 24 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) A domestic insurer may reinsure all or substanitally all of its business in force, or all or substantially all of a major class thereof, with another insurer, stock or mutual, by an agreement of bulk reinsurance after compliance with this section. No such agreement shall become effective unless filed with the commissioner and approved by him in writing.

(2) The commissioner shall approve such agreements within a reasonable time after filing if he finds:

(a) That the plan and agreement are fair and equitable to each insurer and to the policyholders involved;

(b) That the reinsurance, if effectuated, would not substantially reduce the protection or service to the policyholders of any domestic insurer involved;

(c) That the agreement embodies adequate provisions by which the reinsuring insurer becomes liable to the original insureds for any loss or damage occurring under the policies reinsured in accordance with the original terms of such policies, and that the reinsuring insurer shall duly furnish each such insured with a certificate evidencing such assumption of liability;

(d) That the assuming reinsurer is authorized to transact such insurance in this state, or is qualified as for such authorization and will appoint the commissioner and his successors as its irrevocable attorney for service of process, so long as any policy so reinsured or claim thereunder remains in force or outstanding;

(e) That such reinsurance would not materially tend to lessen competition in the insurance business in this state or elsewhere as to the kinds of insurance involved, and would not materially tend to create a monopoly as to such business; and

(f) That the proposed bulk reinsurance is free of other reasonable objections.

(3) If the commissioner does not so approve he shall forthwith notify each insurer involved in writing, specifying his reasons therefor.

(4) If for reinsurance of all or substantially all of the business in force of a mutual insurer at a time when the insurer's surplus is not impaired, the plan and agreement for such reinsurance must be approved by vote of not less than two-thirds of the mutual insurer's members voting thereon at a meeting of members called for the purpose, pursuant to such reasonable notice and procedure as is provided for in the agreement. If a life insurer, right to vote may be limited to members whose policies are other than term or group policies, and have been in effect for more than one year.

(5) No director, officer, agent or employe of any insurer party to such reinsurance, nor any other person shall receive any compensation for arranging such bulk reinsurance other than as provided in the agreement submitted to and approved by the commissioner.

Section 43. A new section of Subtitle 24 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) A solvent domestic stock or mutual insurer, which then is not the subject of a delinquency proceeding under Subtitle 33, may voluntarily dissolve under a plan therefor in writing authorized by its board of directors, approved or adopted by stockholders or members as hereinafter provided, and filed with and approved by the commissioner. The plan shall provide for the disposition, by bulk reinsurance or other lawful procedure, of all insurance in force in the insurer, for full discharge of all obligations of the insurer, and designate or provide for trustees to conduct and administer the settlement of the insurer's affairs.

(2) The commissioner shall approve the plan unless found by him to be unlawful or unfair or inequitable or prejudicial to the interests of stockholders, policyholders or creditors.

(3) If a mutual insurer, the plan must have been approved by vote of not less than two-thirds of the policyholders voting

thereon at a special meeting of such policyholders called and held for the purpose pursuant to such reasonable notice and information as the commissioner may have approved.

(4) If a stock insurer, the plan must have been adopted by vote of not less than two-thirds of all outstanding voting securities of the insurer at a special meeting of such security holders called and held for the purpose.

(5) Following approval of the dissolution and plan therefor by members or adoption thereof by stockholders as above provided, and approval by the commissioner, the trustees designated or provided for in the plan shall proceed to execute the plan. When all liabilities of the corporation have been discharged or otherwise adequately provided for, and all assets of the corporation have been liquidated and distributed in accordance with the plan, the trustees shall so certify in quadruplicate under oath in writing. The trustees shall deliver the original and the three copies of such certificate to the commissioner. The commissioner shall make such examination of the affairs of the corporation, and of the liquidation and distribution of its assets and discharge of or provision for its liabilities as he deems advisable. If upon such examination he finds that the facts set forth in the certificate of the trustees are true, he shall inscribe his approval on the certificate, file the original thereof so inscribed in the office of the Secretary of State, file copy thereof in the department, and return the remaining two copies to the trustees. The trustees shall file one of such copies for recording in the office of the County Court Clerk of the county in which the corporation's principal place of business is located, and retain the fourth copy for the corporate files.

(6) Upon filing the certificate of the trustees with the Secretary of State as provided in subsection (5), the Secretary of State shall issue to the trustees his certificate of dissolution, and the corporate existence of the corporation shall thereupon forever terminate. The Secretary of State shall charge and collect a fee of twenty-five dollars for the filing of the trustee's certificate, and shall deposit the same with the State Treasurer for credit to the general fund.

Section 44. A new section of Subtitle 24 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) Upon any liquidation of a domestic mutual insurer, its assets remaining after discharge of its indebtedness, policy obligations, repayment of contributed or borrowed surplus, if any, and expenses of administration, shall be distributed to currently existing persons who had been members of the insurer for at least one year and who were its members at any time within thirty-six months next preceding the date such liquidation was authorized or ordered, or date of last termination of the insurer's certificate of authority whichever date is the earlier; except, that if the commissioner has reason to believe that those in charge of the management of the insurer have caused or encouraged the reduction of the number of members of the insurer in anticipation of liquidation and for the purpose of reducing thereby the number of persons who may be entitled to share in distribution of the insurer's assets, he may enlarge the thirty-six month qualification period above provided for by such additional period as he may deem to be reasonable.

(2) The insurer shall make a reasonable classification of its policies so held by such members, and a formula based upon such classification for determining the equitable distributive share of each such member. Such classification and formula shall be subject to the approval of the commissioner.

SUBTITLE 25

Section 1. A new section of Subtitle 25 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

Enemy attack could seriously disrupt the management functions of an insurance organization. Prompt resumption of insurance operations following attack is in the public interest and requires provision for the continuity of management. It is essential that advance corporate action be taken to provide for the reconstitution of the board of directors or substitute governing body, for the succession of key personnel and for the designation of alternate headquarters.

Section 2. A new section of Subtitle 25 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

When used in this subtitle, the following terms shall mean and include the following:

(1) Acting director. Acting director means an acting director elected or appointed in accordance with this subtitle.

(2) Acting officer. Acting officer means an acting officer appointed in accordance with this subtitle.

(3) Acute emergency. Acute emergency means a period, as formally declared and proclaimed by the Governor of this state, in which, by reason of loss of life, epidemic disease, destruction or damage of property, contamination of property by radiological, chemical or bacteriological means, or disruption of the means of transportation or communication, resulting from an attack, it is impossible or impractical for the business of insurance in this state to be conducted in strict accord with the provision of law or charters applicable thereto.

(4) Attack. Attack means any attack, actual or imminent, or series of attacks by an enemy or a foreign nation upon the United States causing, or which may cause, substantial damage or injury to civilian property or persons in the United States in any manner by sabotage or by the use of bombs, shell fire, or atomic, radiological, chemical, bacteriological or biological means or other weapons or processes.

(5) Board. Board means the board of directors, board of trustees, committee or similar body having control of the affairs of an insurance organization.

(6) Charter. Charter means the certificate of organization or incorporation or special law incorporating a corporation together with its bylaws, or the agreement establishing a fund or association together with its constitution and bylaws.

(7) Commissioner. Commissioner means the Commissioner of Insurance or person duly designated to exercise the powers of that office during an attack or acute emergency.

(8) Director. Director means a director, trustee or member of a board.

(9) Domestic organization. Domestic organization means any insurance organization which is domiciled in this state.

(10) Insurance organization. Insurance organization means any insurer, rating organization, service or advisory organization, joint underwriting association, which is subject, in whole or in part, to the insurance laws of this state.

(11) Officer. Officer means an officer of a domestic insurance organization.

(12) Quorum. Quorum means the minimum number of directors required by charter and bylaw, exclusive of the provisions of this subtitle, to be present for valid action to be taken at a meeting of a board with respect to each particular item of business which may come before such meeting.

This subtitle does not and shall not be construed to limit the powers of, or permit or require, any insurance organization which is not domiciled in this state or of any branch office, or agents of such insurance organization, or the directors, officers, members, policyholders, or stockholders of any such organization to act, or fail to act, in such fashion as would violate the laws of the jurisdiction wherein such organization has its domicile.

Section 3. A new section of Subtitle 25 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) With the approval of the commissioner, any domestic organization may, at any time, adopt, in the same manner as in the case of ordinary bylaws, emergency bylaws to become operative during a period of acute emergency. Emergency bylaws may contain provisions with respect to the number of directors capable of acting which shall constitute its board, the number of such directors which shall constitute a quorum at a meeting of the board, the number of votes necessary for action by such board, the manner in which vacancies on the board shall be filled, the line of succession of its officers, and the interim management of the affairs of the insurance organization; such provisions, if approved by the commissioner, need not comply with the requirement of the charter of such domestic organization or of the insurance or incorporation laws of this state.

(2) Section 4 of Subtitle 25 of this Act and subsection

(2) to (6), inclusive, of Subtitle 25 of this Act, shall not be applicable during a period of acute emergency to any domestic organization operating in accordance with and under emergency bylaws theretofore approved by the commissioner.

Section 4. A new section of Subtitle 25 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) Notwithstanding any provision of its charter, any domestic insurance organization, without complying with any provision of law requiring approval, or application for approval, of a change of location of its principal office may, from time to time, change the location thereof during an acute emergency to a suitable location within the United States, and may carry on its business at such new location during such acute emergency, and for a reasonable time thereafter. Any insurance organization which changes the location of its principal office during an acute emergency shall notify the commissioner thereof in writing as soon as practical, stating the address of the new location, the address of the former location, and the dates when business is ceasing at the former location and commencing at the latter location.

(2) Notwithstanding any contrary provision of law or its charter, if at any time during an acute emergency affecting any domestic insurance organization, no person otherwise empowered to call meetings of the board is capable of acting, a meeting thereof may be called by any director or acting director or if no director or acting director is capable of acting, by any officer or acting officer. If it shall be impractical or impossible to give notice of a meeting of the board in the manner prescribed by charter and law, other than this subtitle, the person calling such a meeting may give notice thereof by making such reasonable efforts as circumstances may permit to notify each director and acting director of the time and place of the meeting, but need not specify the purposes thereof. Failure of any director or acting director to receive actual notice of a meeting of directors and acting directors shall not affect the power of the directors and acting directors present at such meeting to exercise the powers of an emergency board of directors as prescribed in this section. Nothing in this subtitle shall be construed as requiring a meeting of the board of such an organization to be convened

in any manner different from that prescribed by its charter and by the provisions of law other than this subtitle.

(3) If three or more directors and acting directors of any domestic insurance organization are present at any meeting of its board duly convened during an acute emergency affecting such domestic insurance organization, they shall constitute its emergency board of directors which, notwithstanding any contrary provision of law or of its charter, shall have the power, subject to the limitations prescribed by this subtitle, by a majority of those present, to take any and every action which may be necessary to enable such domestic insurance organization to meet the exigencies of the acute emergency and conduct its business during such period, but no other powers. The powers of an emergency board of directors shall include, but shall not be limited to, the following powers:

(a) Fill vacancies and absentees. At any meeting, to elect such acting directors as it may deem necessary, without regard to the number of directors which would otherwise be required, to serve in any positions on such board which are vacant or in place of any directors or acting directors who are absent from such meeting, but not to elect any director on a permanent basis.

(b) Acting officers and duties. To elect such acting officers as it may deem necessary, without regard to the number of officers which would otherwise be required, to serve in any offices which are vacant or in place of any officers or acting officers who fail to appear and assume their duties, to fix the compensation and determine the powers and duties of acting officers and to remove acting officers but not to remove any officer or to fill any vacancy on a permanent basis or to cause the insurance organization to enter into any contract of employment for a term in excess of one year.

(c) Change of location. To cause the insurance organization to change the location of its principal office, pursuant to this section, or any of its places of business, and to authorize such action as it may deem appropriate to acquire space and facilities at new locations, but not to acquire for use of its principal office property in fee or for a term in excess of one year.

(d) Postpone meetings. To postpone any meeting of the stockholders, policyholders or members or directors of such or-

ganization if, in the judgment of a majority of the members of such emergency board of directors, it would be impracticable to hold such meeting at the time it would otherwise have been held or conducted.

(e) Call meetings. If it shall appear to an emergency board of directors that a quorum of the board cannot be assembled within a reasonable time, to call a meeting of the stockholders, policyholders or members of the insurance organization to be held as soon as the circumstances may reasonably permit, at a place to be designated by the emergency board of directors within this state or a contiguous state, for the purpose of electing directors to fill vacancies on the board, but for no other purpose, and to propose nominees for such election. Any such meetings of stockholders, policyholders or members shall be held upon notice given in accordance with the charter of the organization and applicable law other than this section.

(4) As soon as practicable after each meeting of an emergency board of directors, the person who presided thereat shall notify the commissioner in writing of the time and place of such meeting, of the manner in which notice thereof was given, of the persons present and of all actions taken at such meeting.

(5) No person prohibited by law or by the charter of a domestic insurance organization from serving as a member of its board shall be eligible to serve as an acting director except that no person shall be disqualified to serve as an acting director by reason of his not being a stockholder, policyholder or member of such insurance organization, by reason of his not being a resident of this state or of a contiguous state, or by reason of the number of directors or acting directors who are officers, acting officers or employes of the insurance organization. Any person may serve as an acting director of a fund who is a director, acting director, officer or acting officer of an organization which is a party to the agreement creating the fund. No oath of acting directors shall be required.

(6) Acting directors elected under this section or appointed under Section 6 of Subtitle 25 of this Act shall be entitled to vote at all meetings of emergency board of directors equally with directors. Acting directors shall not be entitled to take part in the deliberations or to vote at any meeting of the board which is

duly convened in accordance with the applicable provisions of its charter and of law other than this subtitle and at which a quorum is present. Each acting director shall serve until the director or acting director in whose place he was elected or appointed shall attend the meeting of the board or until the director is duly elected to fill the vacancy in which such acting director has been serving, whichever event occurs earlier. An acting director shall be entitled to the compensation, if any, payable to a director.

(7) Acting officers elected pursuant to this section shall have powers and duties and receive such compensation as may from time to time be determined by the emergency board of directors. Each acting officer shall serve until the officer in whose place he was elected shall appear and assume his duties or until his successor officer or acting officer shall be elected, whichever event occurs earlier.

(8) This section shall not be deemed applicable during a period of acute emergency to any domestic organization operating in accordance with and under emergency bylaws theretofore approved by the commissioner.

Section 5. A new section of Subtitle 25 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) Designate additional acting directors. If at any time during an acute emergency, the number of directors or acting directors of a domestic insurance organization who are capable of acting shall be less than three, as determined by the commissioner after a reasonable investigation, the commissioner shall have the power to designate additional acting directors in such number as will bring to three the number of directors and acting directors who are capable of acting.

(2) Resolve controversies. To resolve controversy as to the power of any group of persons purporting to act as an emergency board of directors so to act, the commissioner shall, upon a determination that such action will tend to promote the safe and sound and orderly conduct of the business of any domestic insurance organization, have power to issue orders declaring that any such group shall or shall not have the powers of an emergency board of directors, or confirming, modifying or vacating

in whole or in part any action taken or purportedly taken by any such group or by removing any acting director.

(3) (a) Declare provisions of law operative or inoperative. At any time after an attack, upon his determination that such action will tend to promote certainty as to the powers of insurance organizations or individuals pursuant to this subtitle or that such action is desirable to enable insurance organizations to take preparatory precautions prior to the occurrence of an acute emergency, the commissioner shall have power to declare that any provision of this subtitle which he may specify shall be operative with respect to any domestic insurance organization or to the Kentucky business of any other insurance organization which he may designate. Upon such declaration such organization and its directors, officers, acting directors and acting officers shall have all powers conferred by this subtitle. The failure of the commissioner so to declare shall not be deemed to limit the powers of any organization or its directors, officers, acting directors or acting officers where an acute emergency exists in fact.

(b) At any time after the commencement of an acute emergency or after the commissioner shall have declared any provision of this subtitle operative under this subsection upon his determination that an insurance organization is able, in whole or in part, to carry on its business in compliance with its charter and the laws, other than this subtitle, the commissioner shall have power to declare that any provision of this subtitle which he may specify shall be inoperative with respect to any domestic insurance organization or to the Kentucky business of any other insurance organization which he may designate. Upon such declaration, such organization shall be governed by its charter and the provisions of law other than this subtitle, except insofar as they remain inoperative.

(4) Possession of business and property. Upon the determination that, as a result of an acute emergency, the business and affairs of an insurance organization cannot otherwise be conducted in a safe and sound manner, the commissioner may forthwith take possession of the business and property of the insurance organization within this state or, if a domestic insurance organization, its business and property wherever situated. This subtitle shall be applicable in any case in which the commissioner

takes possession of an insurance organization under this subsection as though the insurance organization were an insurer of which the commissioner had taken possession under this subtitle, except that no such provision shall be applicable which the commissioner shall have declared inapplicable under this subsection. The commissioner shall have power to declare inapplicable any such provision upon his determination that the same is inappropriate or unnecessary to protect the interest of the public or the stockholders or creditors of the insurance organization, in view of the acute emergency and the nature of the organization.

(5) When powers exercised. The powers given the commissioner by subsections (2) and (4) shall be exercised by him only in the event that there is no court of competent jurisdiction available to which an application can be made for an order permitting him to exercise such powers with respect to a particular insurance organization. The powers conferred by subsection (4) shall not be exercised in a case of an insurance organization which is not insolvent within the meaning of this subtitle, unless the commissioner finds that such insurance organization lacks personnel able to manage its business in the interest of the public, stockholders and policyholders.

(6) Regulations. The commissioner shall have power to issue general and specific regulations, directives and orders consistent with and in furtherance of the purpose of this subtitle.

Section 6. A new section of Subtitle 25 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) Presumption. In any action or proceeding it shall be presumed that an acute emergency existing within this state constitutes an acute emergency affecting every insurance organization doing business within this state.

(2) Powers of board. During an acute emergency the board of a domestic insurance organization which has adopted emergency bylaws approved by the commissioner shall have all of the powers conferred by such bylaws, and no other or different powers with respect to the subject matter of this subtitle, and the board of a domestic insurance organization which has not adopted emergency bylaws approved by the commissioner shall have all of the powers of an emergency board of directors as the same are provided for under this subtitle.

Section 7. A new section of Subtitle 25 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

The governor of this state, or his successor in office, alone shall have the power to proclaim and declare the fact that a period of "acute emergency" exists at any time or times, as such term is defined in this subtitle.

SUBTITLE 26

Section 1. A new section of Subtitle 26 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

This subtitle shall apply only with respect to securities issued by domestic stock insurers.

Section 2. A new section of Subtitle 26 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

The term "equity security" when used in this subtitle means:

(1) Any stock or similar security; or

(2) Any security convertible, with or without consideration, into such a security, or carrying any warrant or right to subscribe to or purchase such a security; or

(3) Any such warrant or right; or

(4) Any other security which the commissioner deems to be of similar nature and considers necessary or appropriate, by such rules and regulations as he may prescribe in the public interest or for the protection of investors, to treat as an equity security.

Section 3. A new section of Subtitle 26 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

Every person who is directly or indirectly the beneficial owner of more than 10 percent of any class of any equity security of a domestic stock insurer, or who is a director or an officer of such insurer, shall:

(1) File in the office of the commissioner within ten days after he becomes such beneficial owner, director or officer, a

statement, in such form as the commissioner may prescribe, of the amount of all equity securities of such insurer of which he is the beneficial owner; and

(2) Within ten days after the close of each calendar month thereafter, if there has been a change in such ownership during such month, file in the office of the commissioner a statement, in such form as the commissioner may prescribe, indicating his ownership at the close of the calendar month and such changes in his ownership as have occurred during such calendar month.

Section 4. A new section of Subtitle 26 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) For the purpose of preventing the unfair use of information which may have been obtained by such beneficial owner, director or officer by reason of his relationship to such insurer, any profit realized by him from any purchase and sale, or any sale and purchase, of any equity security of such insurer within any period of less than six months, unless such security was acquired in good faith in connection with a debt previously contracted, shall inure to and be recoverable by the insurer, irrespective of any intention on the part of such beneficial owner, director or officer in entering into such transaction or holding the security purchased or of not repurchasing the security sold for a period exceeding six months.

(2) Suit to recover such profit may be instituted at law or in equity in any court of competent jurisdiction by the insurer, or by the owner of any security of the insurer in the name and in behalf of the insurer if the insurer fails or refuses to bring such suit within sixty days after request or fails diligently to prosecute the same thereafter; but no such suit shall be brought more than two years after the date such profit was realized.

(3) This section shall not be construed to cover any transaction where such beneficial owner was not such both at the time of the purchase and sale, or the sale and purchase, of the security involved, or any transaction or transactions which the commissioner by rules and regulations may exempt as not comprehended within the purpose of this section.

Section 5. A new section of Subtitle 26 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) It is unlawful for any such beneficial owner, director or officer, directly or indirectly, to sell any equity security of such insurer if the person selling the security or his principal:

(a) Does not own the security sold, or

(b) If the owner of the security, does not deliver it against such sale within twenty days thereafter, or does not within five days after such sale deposit it in the mails or other usual channels of transportation, but no person shall be deemed to have violated this section if he proves that notwithstanding the exercise of good faith he was unable to make such delivery or deposit within such time, or that to do so would cause undue inconvenience or expense.

(2) The commissioner shall establish, and from time to time amend, regulations with regard to proxies, consents, or authorizations in respect of securities issued by any domestic stock insurer, such regulations to conform to those prescribed by the National Association of Insurance Commissioners.

Section 6. A new section of Subtitle 26 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) The provisions of Section 4 of Subtitle 26 do not apply to any purchase and sale, or sale and purchase, and the provisions of subsection (1) of Section 5 of Subtitle 26 of this Act do not apply to any sale, of an equity security of a domestic stock insurer not then or theretofore held by him in an investment account, by a dealer in the ordinary course of his business and incident to the establishment or maintenance by him of a primary or secondary market (otherwise than on an exchange as defined in the Securities Exchange Act of 1934) for such security.

(2) The commissioner may, by such rules and regulations as he deems necessary or appropriate in the public interest, define and prescribe terms and conditions with respect to securities held in an investment account and transactions made in the ordinary course of business and incident to the establishment or maintenance of a primary or secondary market.

Section 7. A new section of Subtitle 26 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

The provisions of Sections 3 and 4 and subsection (1) of Section 5 of Subtitle 26 of this Act, do not apply to foreign or

domestic arbitrage transactions unless made in contravention of such rules and regulations as the commissioner may adopt in order to carry out the purposes of this subtitle.

Section 8. A new section of Subtitle 26 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

The provisions of Sections 3 to 5, inclusive, of Subtitle 26 of this Act, do not apply to equity securities of a domestic stock insurer if:

(1) Such securities are registered, or are required to be registered, pursuant to Section 12 of the Securities Exchange Act of 1934, as amended; or

(2) Such domestic stock insurer has not any class of its equity securities held of record by one hundred or more persons on the last business day of the year next preceding the year in which equity securities of the insurer would be subject to the provisions of Sections 3 to 5, inclusive, of Subtitle 26 of this Act, except for the provisions of this subsection.

Section 9. A new section of Subtitle 26 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) The commissioner shall have the power to make such rules and regulations as may be necessary for the execution of the functions vested in him by Sections 3 to 8, inclusive, of Subtitle 26 of this Act, and may for such purpose classify domestic stock insurers, securities and other persons or matters within his jurisdiction.

(2) No provision of Sections 3 to 5, inclusive, of Subtitle 26 of this Act, imposing any liability shall apply to any act done or omitted in good faith in conformity with any rule or regulation tion may, after such act or ommission, be amended or rescinded or determined by judicial or other authority to be invalid for any reason.

SUBTITLE 27

Section 1. A new section of Subtitle 27 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

"Reciprocal insurance" is that resulting from an inter-ex-

change among persons, known as "subscribers," of reciprocal agreements of indemnity, the inter-exchange being effectuated through an "attorney-in-fact" common to all such persons.

Section 2. A new section of Subtitle 27 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) All authorized reciprocal insurers shall be governed by those sections of this subtitle not expressly made applicable to domestic reciprocals.

(2) Existing authorized reciprocal insurers shall after the effective date of this code comply with the provisions of this subtitle, and shall make such amendments to their subscribers' agreement, power of attorney, policies and other documents and accounts and perform such other acts as may be required for such compliance.

Section 3. A new section of Subtitle 27 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) A reciprocal insurer may, upon qualifying therefor as provided for by this code, transact any kind or kinds of insurance defined by this code, other than life, title, or mortgage guaranty insurances.

(2) Such an insurer may purchase reinsurance upon the risk of any subscriber, and may grant reinsurance as to any kind of insurance it is authorized to transact directly.

Section 4. A new section of Subtitle 27 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

A reciprocal insurer:

(1) Shall have and use a business name. The name shall include the word "reciprocal," or "interinsurer," or "interinsurance," or "exchange," or "underwriters," or "underwriting," or "association."

(2) May sue and be sued in its own name.

Section 5. A new section of Subtitle 27 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) "Attorney," as used in this subtitle, refers to the attorney-in-fact of a reciprocal insurer. The attorney may be an individual, firm or corporation.

(2) The attorney of a foreign reciprocal insurer, which insurer is duly authorized to transact insurance in this state, shall not, by virtue of discharge of its duties as such attorney with respect to the insurer's transactions in this state, be thereby deemed to be doing business in this state within the meaning of any laws of this state applying to foreign persons, firms or corporations.

(3) The subscribers and the attorney-in-fact comprise a reciprocal insurer and a single entity for the purposes of Subtitle 24 as to all operations under the insurer's certificate of authority.

Section 6. A new section of Subtitle 27 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) Twenty-five or more persons domiciled in this state may organize a domestic reciprocal insurer and make application to the commissioner for a certificate of authority to transact insurance.

(2) The proposed attorney shall fulfill the requirements of and shall execute and file with the commissioner when applying for a certificate of authority, a declaration setting forth:

(a) The name of the insurer;

(b) The location of the insurer's principal office, which shall be the same as that of the attorney and shall be maintained within this state;

(c) The kinds of insurance proposed to be transacted;

(d) The names and addresses of the original subscribers;

(e) The designation and appointment of the proposed attorney and a copy of the power of attorney;

(f) The names and addresses of the officers and directors of the attorney, if a corporation, or its members, if a firm;

(g) The powers of the subscribers' advisory committee; and the names and terms of office of the members thereof;

(h) A copy of the subscribers' agreement;

(i) That all monies paid to the reciprocal insurer shall, after deducting therefrom any sum payable to the attorney, be held in the name of the insurer and for the purposes specified in the subscribers' agreement;

(j) A statement that each of the original subscribers has in good faith applied for insurance of a kind proposed to be transacted, and that the insurer has received from each such subscriber the full premium or premium deposit required for the policy applied for, for a term of not less than six months at an adequate rate theretofore filed with the commissioner;

(k) A statement of the financial condition of the insurer, a schedule of its assets, and a statement that the surplus as required by Section 12 of Subtitle 3 of this Act is on hand; and

(l) A copy of each policy, endorsement and application form it then proposes to issue or use.

The declaration shall be acknowledged by the attorney in the manner required for the acknowledgement of deeds.

Section 7. A new section of Subtitle 27 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) The certificate of authority of a reciprocal insurer shall be issued to its attorney in the name of the insurer.

(2) The commissioner may refuse, suspend or revoke the certificate of authority, in addition to other grounds therefor, for failure of the attorney to comply with any applicable provision of this code.

Section 8. A new section of Subtitle 27 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) The rights and powers of attorney of a reciprocal insurer shall be as provided in the power of attorney given it by the subscribers.

(2) The power of attorney must set forth:

(a) The powers, duties and compensation of the attorney;

(b) That the attorney is empowered to accept service of process on behalf of the insurer in actions against the insurer upon contracts exchanged;

(c) The general services to be performed by the attorney;

(d) The maximum amount to be deducted from advance premiums or deposits to be paid to the attorney and the general items of expense in addition to losses, to be paid by the insurer; and

(e) Except as to nonassessable policies, a provision for a contingent several liability of each subscriber in a specified amount which amount shall be not less than one nor more than ten times the premium or premium deposit stated in the policy.

(3) The power of attorney may:

(a) Provide for the right of substitution of the attorney and revocation of the power of attorney and rights thereunder;

(b) Impose such restrictions upon the exercise of the power as are agreed upon by the subscribers;

(c) Provide for the exercise of any right reserved to the subscribers directly or through their advisory committee; and

(d) Contain other lawful provisions deemed advisable.

(4) The terms of any power of attorney or agreement collateral thereto shall be reasonable and equitable, and no such power or agreement, or any amendment thereof, shall be used or be effective in this state until approved by the commissioner.

Section 9. A new section of Subtitle 27 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

Modification of the terms of the subscribers' agreement or of the power of attorney of a domestic reciprocal insurer shall be made jointly by the attorney and the subscribers' advisory committee. No such modification shall be effective retroactively, nor as to any insurance contract issued prior thereto.

Section 10. A new section of Subtitle 27 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) Concurrently with the filing of the declaration provided for in Section 6 of Subtitle 27 of this Act, the attorney of a domestic reciprocal insurer shall file with the commissioner a bond in favor of this state for the benefit of all persons damaged as a result of breach by the attorney of the conditions of his bond as set forth in subsection (2). The bond shall be executed by the attorney and by an authorized corporate surety, and shall be subject to the commissioner's approval.

(2) The bond shall be in the penal sum of $25,000, aggregate in form, conditioned that the attorney will faithfully account for all monies and other property of the insurer coming into his

hands, and that he will not withdraw or appropriate to his own use from the funds of the insurer, any monies or property to which he is not entitled under the power of attorney.

(3) The bond shall provide that it is not subject to cancellation unless thirty days' advance notice in writing of cancellation is given both the attorney and the commissioner.

Section 11. A new section of Subtitle 27 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

In lieu of such bond, the attorney may maintain on deposit with the commissioner a like amount in cash or in value of securities qualified under this code as insurer's investments, and subject to the same conditions as the bond.

Section 12. A new section of Subtitle 27 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

Action on the attorney's bond or to recover against any such deposit made in lieu thereof may be brought at any time by one or more subscribers suffering loss through a violation of its conditions, or by a receiver or liquidator of the insurer. Amounts recovered on the bond shall be deposited in and become part of the insurer's funds. The total aggregate liability of the surety shall be limited to the amount of the penalty of such bond.

Section 13. A new section of Subtitle 27 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) Legal process shall be served upon a domestic reciprocal insurer by serving the insurer's attorney at his principal offices or by serving the commissioner as the insurer's process agent, as provided under this code.

(2) Any judgment based upon legal process so served shall be binding upon each of the insurer's subscribers as their respective interests may appear, but in an amount not exceeding their respective contingent liabilities, if any, the same as though personal service of process was had upon each such subscriber.

Section 14. A new section of Subtitle 27 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

The attorney or other parties may advance to a domestic reciprocal insurer upon reasonable terms such funds as it may

require from time to time in its operations. Sums so advanced shall not be treated as a liability of the insurer, and except upon liquidation of the insurer, shall not be withdrawn or repaid except out of the insurer's realized earned surplus in excess of its minimum required surplus. No such withdrawal or repayment shall be made without the advance approval of the commissioner. This section does not apply to bank loans, or to other loans made upon security.

Section 15. A new section of Subtitle 27 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) The annual statement of a reciprocal insurer shall be made and filed by its attorney.

(2) The statement shall be supplemented by such information as may be required by the commissioner relative to the affairs and transactions of the attorney.

Section 16. A new section of Subtitle 27 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

In determining the financial condition of a reciprocal insurer the commissioner shall apply the following rules:

(1) He shall charge as liabilities the same reserves as are required of incorporated insurers issuing nonassessable policies on a reserve basis.

(2) The surplus deposits of subscribers shall be allowed as assets, except that any premium deposit delinquent for ninety days shall first be charged against such surplus deposit.

(3) The surplus deposits of subscribers shall not be charged as a liability.

(4) All premium deposits delinquent less than ninety days shall be allowed as assets.

(5) An assessment levied upon subscribers, and not collected, shall be allowed as assets.

(6) The contingent liability of subscribers shall not be allowed as an asset.

(7) The computation of reserves shall be based upon premium deposits other than membership fees and without any deduction for the compensation of the attorney.

Section 17. A new section of Subtitle 27 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) Individuals, partnerships and corporations of this state may make application, enter into an agreement for, and hold policies or contracts in or with, and be a subscriber of any domestic, foreign or alien reciprocal insurer. Any corporation organized under the laws of this state shall, in addition to the rights, powers and franchises specified in its articles of incorporation, have full power and authority as a subscriber to exchange insurance contracts through such reciprocal insurer. The right to exchange such contracts is hereby declared to be incidental to the purposes for which such corporations are organized and to be as fully granted as the rights and powers expressly conferred upon such corporations.

(2) Government or governmental agencies, a state or political subdivisions thereof, boards, associations, estates, trustees or fiduciaries are authorized to exchange nonassessable reciprocal interinsurance contracts with each other and with individuals, partnerships and corporations to the same extent that individuals, partnerships and corporations are authorized in this subtitle to exchange reciprocal interinsurance contracts.

(3) Any officer, representative, trustee, receiver or legal representative of any such subscriber shall be recognized as acting for or on its behalf for the purpose of such contracts but shall not be personally liable upon such contracts by reason of acting in such representative capacity.

Section 18. A new section of Subtitle 27 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) The advisory committee exercising the subscribers' rights in a domestic reciprocal insurer shall be selected under such rules as the subscribers adopt.

(2) Not less than two-thirds of such committee shall be composed of subscribers other than the attorney, or any person employed by, representing, or having a financial interest in the attorney.

(3) The committee shall:

(a) Supervise the finances of the insurer.

(b) Supervise the insurer's operations to such extent as to assure their conformity with the subscribers' agreement and power of attorney.

(c) Procure the audit of the accounts and records of the insurer and of the attorney at the expense of the insurer.

(d) Have such additional powers and functions as may be conferred by the subscribers' agreement.

Section 19. A new section of Subtitle 27 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) The liability of each subscriber, other than as to a nonassessable policy, for the obligations of the reciprocal insurer shall be an individual, several and proportionate liability, and not joint.

(2) Except as to a nonassessable policy, each subscriber shall have a contingent assessment liability, in the amount provided for in the power of attorney or in the subscribers' agreement, for payment of actual losses and expenses incurred while his policy was in force. Such contingent liability may be at the rate of not less than one nor more than ten times the premium or premium deposit stated in the policy, and the maximum aggregate thereof shall be computed in the manner set forth in Section 23 of Subtitle 27 of this Act.

(3) Each assessable policy issued by the insurer shall contain a statement of the contingent liability, set in type of the same prominence as the insuring clause.

Section 20. A new section of Subtitle 27 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) No action shall lie against any subscriber upon any obligation claimed against the insurer until a final judgment has been obtained against the insurer and remains unsatisfied for thirty days.

(2) Any such judgment shall be binding upon each subscriber only in such proportion as his interest may appear and in an amount not exceeding his contingent liability, if any.

Section 21. A new section of Subtitle 27 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) Assessments may from time to time be levied upon subscribers of a domestic reciprocal insurer liable therefor under the terms of their policies by the attorney upon approval in advance by the subscribers' advisory committee and the commissioner; or by the commissioner in liquidation of the insurer.

(2) Each subscriber's share of a deficiency for which an assessment is made, but not exceeding in any event his aggregate contingent liability as computed in accordance with Section 23 of Subtitle 27 of this Act, shall be computed by applying to the premium earned on the subscriber's policy or policies during the period to be covered by the assessment, the ratio of the total deficiency to the total premiums earned during such period upon all policies subject to the assessment.

(3) In computing the earned premiums for the purposes of this section, the gross premium received by the insurer for the policy shall be used as a base, deducting therefrom solely charges not recurring upon the renewal or extension of the policy.

(4) No subscriber shall have an offset against any assessment for which he is liable, on account of any claim for unearned premium or losses payable.

Section 22. A new section of Subtitle 27 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

Every subscriber of a domestic reciprocal insurer having contingent liability shall be liable for, and shall pay his share of any assessment, as computed and limited in accordance with this subtitle, if:

(1) While his policy is in force or within one year after its termination, he is notified by either the attorney or the commissioner of his intention to levy such assessment, or

(2) If an order to show cause why a receiver, conservator, rehabilitator or liquidator of the insurer should not be appointed is issued while his policy is in force or within one year after its termination.

Section 23. A new section of Subtitle 27 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

No one policy or subscriber as to such policy, shall be assessed or charged with an aggregate of contingent liability as to obligations incurred by a domestic reciprocal insurer in any one calendar year, in excess of the amount provided for in the power of attorney or in the subscribers' agreement, computed solely upon premium earned on such policy during that year.

Section 24. A new section of Subtitle 27 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) If a reciprocal insurer has a surplus of assets over all liabilities at least equal to the minimum capital stock and surplus required to be maintained by a domestic stock insurer authorized to transact like kinds of insurance, upon application of the attorney and as approved by the subscribers' advisory committee the commissioner shall issue his certificate authorizing the insurer to extinguish the contingent liability of subscribers under its policies then in force in this state, and to omit provisions imposing contingent liability in all policies delivered or issued for delivery in this state for so long as all such surplus remains unimpaired.

(2) Upon impairment of such surplus, the commissioner shall forthwith revoke the certificate. Such revocation shall not render subject to contingent liability any policy then in force and for the remainder of the period for which the premium has theretofore been paid; but after such revocation no policy shall be issued or renewed without providing for contingent assessment liability of the subscriber.

(3) The commissioner shall not authorize a domestic reciprocal insurer so to extinguish the contingent liability of any of its subscribers or in any of its policies to be issued, unless it qualifies to and does extinguish such liability of all its subscribers and in all such policies for all kinds of insurance transacted by it. Except, that if required by the laws of another state in which the insurer is transacting insurance as an authorized insurer, the insurer may issue policies providing for the contingent liability of such of its subscribers as may acquire such policies in such state, and need not extinguish the contingent liability applicable to policies theretofore in force in such state.

Section 25. A new section of Subtitle 27 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

A reciprocal insurer may from time to time return to its subscribers any unused premiums, savings or credits accruing to their accounts. Any such distribution shall not unfairly discriminate between classes of risks, or policies, or between subscribers, but this shall not prevent retrospective rating, nor distribution on a retrospective plan.

Section 26. A new section of Subtitle 27 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

Upon the liquidation of a domestic reciprocal insurer, its assets remaining after discharge of its indebtedness and policy obligations, the return of any contributions of the attorney or other persons to its surplus, and the return of any unused premium, savings, or credits then standing on subscribers' accounts, shall be distributed to its subscribers who were such within the twelve months prior to the last termination of its certificate of authority, according to such reasonable formula as the commissioner may approve.

Section 27. A new section of Subtitle 27 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) A domestic reciprocal insurer upon affirmative vote of not less than two-thirds of its subscribers who vote on such merger pursuant to due notice and the approval of the commissioner of the terms therefor, may merge with another reciprocal insurer or be converted to a stock or mutual insurer.

(2) Such a stock or mutual insurer shall be subject to the same capital or surplus requirements and shall have the same rights as a like domestic insurer transacting like kinds of insurance.

(3) The commissioner shall not approve any plan for such merger or conversion which is inequitable to subscribers, or which, if for conversion to a stock insurer, does not give each subscriber preferential right to acquire stock of the proposed insurer proportionate to his interest in the reciprocal insurer as determined in accordance with Section 26 of Subtitle 27 of this Act and a reasonable length of time within which to exercise such right.

Section 28. A new section of Subtitle 27 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) If the assets of a domestic reciprocal insurer are at any time insufficient to discharge its liabilities, other than any liability on account of funds contributed by the attorney or others, and to maintain the required surplus, its attorney shall forthwith make up the deficiency or levy an assessment upon the subscribers for the amount needed to make up the deficiency; but subject to the limitation set forth in the power of attorney or policy.

(2) If the attorney fails to make up such deficiency or to make the assessment within thirty days after the commissioner orders him to do so, or if the deficiency is not fully made up within sixty days after the date the assessment was made, the insurer shall be deemed insolvent and shall be proceeded against as authorized by this code.

(3) If liquidation of such an insurer is ordered, an assessment shall be levied upon the subscribers for such an amount, subject to limits as provided by this subtitle, as the commissioner determines to be necessary to discharge all liabilities of the insurer, exclusive of any funds contributed by the attorney or other persons, but including the reasonable cost of the liquidation.

SUBTITLE 28

Section 1. A new section of Subtitle 28 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

Individuals, partnerships or associations of individuals, hereby designated "underwriters" are authorized to transact any insurance, except life, title or mortgage guaranty insurance in this state, on the Lloyd's plan, by executing articles of agreement expressing their purpose so to do and complying with the requirements set forth in this code.

Section 2. A new section of Subtitle 28 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

Policies of insurance may be executed by an attorney or by attorneys-in-fact or other representative, hereby designated "at-

torney," authorized by and acting for such underwriters under power of attorney. The principal office of such attorneys shall be maintained at such place as may be designated by the underwriters in their articles of agreement.

Section 3. A new section of Subtitle 28 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

Underwriters shall file with commissioner for an application, signed and sworn to by their duly authorized attorney, setting forth in addition to matters required in Section 15 of Subtitle 3 of this Act:

(1) The name of the attorney and title under which the business is to be conducted, which title shall contain the name Lloyd's and shall not be so similar to any name or title in use in this state as to be likely to confuse or deceive.

(2) The names and addresses of all the underwriters proposing to engage in the business.

(3) The number of underwriters, which shall not be less than twenty-five, and that each underwriter is worth in his own right not less than $20,000 over and above all his liabilities.

(4) A copy of each form of policy or contract by which such insurance is to be effected.

(5) A copy of the form of power of attorney by virtue of which the attorney is to act for and bind the several underwriters and a copy of the articles of agreement entered into between the underwriters themselves and the attorney.

(6) A financial statement showing in detail the assets contributed or accumulated in the hands of the attorney, committee of underwriters, trustees and/or other officers of such underwriters at Lloyd's, together with the liabilities incurred and outstanding and the income received and disbursements made by the attorney for the underwriters.

(7) An instrument executed by each and all of the underwriters specially empowering the attorney to accept services of process for each underwriter in any action on any policy or contract of insurance and an instrument from the attorney to the commissioner, delegating the attorney's powers in this respect to the commissioner.

Section 4. A new section of Subtitle 28 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) Upon the filing of the documents required, the commissioner shall examine them. If it appears that all the statements made are true and that the rights of the policyholders will be protected thereunder, and that the insurer is otherwise qualified therefor, he shall issue a certificate of authority to the underwriters under the name chosen and approved, authorizing them to transact the business of insurance as specified in the application.

(2) Prior to the issuance of a certificate of authority, a Lloyd's organization shall submit to examination of its affairs, by the commissioner, or, if acceptable to the commissioner, shall file with him a certified copy of an examination of its affairs made within two years by the proper supervising official of some other state.

Section 5. A new section of Subtitle 28 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

Additional or substituted underwriters shall be bound in the same manner and to the same extent as original subscribers to the articles of agreement and power of attorney on file with the commissioner, and the acts of the duly appointed deputy or substitute attorney of any attorney licensed under this subtitle in accepting powers of attorney from underwriters and in making and issuing policies and contracts of insurance and in doing any additional acts incident thereto shall be deemed authorized by the license issued to the original attorney.

Section 6. A new section of Subtitle 28 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

Underwriters at Lloyd's are required to compute reserve liabilities for all outstanding business and for all incurred losses upon the same basis required for stock insurance companies doing the same classes and character of business in this state.

Section 7. A new section of Subtitle 28 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

Action on any policy or contract of insurance made by the attorney for the underwriters may be brought against the at-

torney or against the attorney and the underwriters or any of them. In such action, summons and process shall be served on either the commissioner or on the attorney and when so served shall have the same force and effect as if served on the attorney and on each underwriter personally. A judgment in any such action against the attorney or against any of the underwriters shall be binding upon and be a judgment against each and all of the underwriters as their several liabilities may appear in the contract of insurance on which the action is brought.

Section 8. A new section of Subtitle 28 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

All of the provisions of this subtitle are applicable to underwriters at Lloyd's who are non-residents of this state, or who maintain their principal office outside of this state, in the same manner that they are applicable to underwriters of Lloyd's who are residents of this state and who maintain their principal office in this state.

SUBTITLE 29

Section 1. A new section of Subtitle 29 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) Any incorporated society, order or supreme lodge, without capital stock, including one exempted under the provisions of subsection (1) (b) of Section 57 of Subtitle 29 of this Act whether incorporated or not, conducted solely for the benefit of its members and their beneficiaries and not for profit, operated on a lodge system with ritualistic form of work, having a representative form of government, and which makes provision for the payment of benefits in accordance with this subtitle is hereby declared to be a fraternal benefit society.

(2) When used in this subtitle the word "society," unless otherwise indicated, shall mean fraternal benefit society.

Section 2. A new section of Subtitle 29 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

A society having a supreme legislative or governing body and subordinate lodges or branches by whatever name known,

into which members are elected, initiated or admitted in accordance with its constitution, laws, ritual and rules, which subordinate lodges or branches shall be required by the laws of the society to hold regular meetings at least once in each month, shall be deemed to be operating on the lodge system.

Section 3. A new section of Subtitle 29 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

As used in this subtitle, unless the context otherwise requires:

(1) "Premiums," means premiums, rate or other required contributions by whatever name known.

(2) "Society" means a fraternal benefit society.

Section 4. A new section of Subtitle 29 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

A society shall be deemed to have a representative form of government when:

(1) It provides in its constitution or laws for a supreme legislative or governing body, composed of representatives elected either by the members or by delegates elected directly or indirectly by the members, together with such other members of such body as may be prescribed by the society's constitution and laws;

(2) The representatives elected constitute a majority in number and have not less than two-thirds of the votes nor less than the votes required to amend its constitution and laws;

(3) The meetings of the supreme legislative or governing body and the election of officers, representatives or delegates are held as often as once in four calendar years;

(4) Each insured member shall be eligible for election to act or serve as a delegate to such meeting;

(5) The society has a board of directors charged with the responsibility for managing its affairs in the interim between meetings of its supreme legislative or governing body, subject to control by such body and having powers and duties delegated to it in the constitution or laws of the society;

(6) Such board of directors is elected by the supreme legislative or governing body, except in case of filling a vacancy in the interim between meetings of such body;

(7) The officers are elected either by the supreme legislative or governing body or by the board of directors; and

(8) The members, officers, representatives or delegates shall not vote by proxy.

Section 5. A new section of Subtitle 29 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

Seven or more citizens of the United States, a majority of whom are citizens of this state, who desire to form a fraternal benefit society, may make, sign and acknowledge before some officer, competent to take acknowledgement of deeds, articles of incorporation, in which shall be stated:

(1) The proposed corporate name of the society, which shall not so closely resemble the name of any society or insurer as to be misleading or confusing;

(2) The purposes for which it is being formed, which shall not include more liberal powers than are granted by this subtitle, but any lawful, social, intellectual, educational, charitable, benevolent, moral, fraternal or religious advantages may be set forth among the purposes of the society;

(3) The mode in which its corporate powers are to be exercised; and

(4) The names and residences of the incorporators and the names, residences and official titles of all the officers, trustees, directors or other persons who are to have and exercise the general control of the management of the affairs and funds of the society for the first year or until the ensuing election at which all such officers shall be elected by the supreme legislative or governing body, which election shall be held not later than one year from the date of the issuance of the permanent certificate.

Section 6. A new section of Subtitle 29 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) The articles of incorporation, duly certified copies of the constitution, laws and rules, copies of all proposed forms of

certificates, applications therefor, and circulars to be issued by the society and a bond conditioned upon the return to applicants of the advanced payments if the organization is not completed within one year shall be filed with the commissioner, who may require such further information as he deems necessary. The bond with sureties approved by the commissioner shall be in such amount, not less than $5,000 nor more than $25,000 as required by the commissioner. All documents filed shall be in the English language. If the purposes of the society conform to the requirements of this subtitle and all provisions of the law have been complied with, the commissioner shall so certify, retain and file the articles of incorporation and furnish the incorporators a preliminary certificate authorizing the society to solicit members as provided in this subtitle.

(2) No preliminary certificate granted under the provisions of this section shall be valid after one year from its date or after such further period, not exceeding one year, as may be authorized by the commissioner upon cause shown, unless 500 applicants have been secured and the organization has been completed as provided in this subtitle. The articles of incorporation and all proceedings thereunder shall become void in one year from the date of the preliminary certificate, or at the expiration of the extended period, unless the society has completed its organization and received a certificate of authority to do business.

Section 7. A new section of Subtitle 29 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) Upon receipt of a preliminary certificate from the commissioner, the society:

(a) May solicit members for the purpose of completing its organization;

(b) Shall collect from each applicant the amount of not less than one regular monthly premium in accordance with its table of rates as provided by its constitution and laws; and

(c) Shall issue to each such applicant a receipt for the amount so collected.

(2) No society shall incur any liability other than for the return of such advance premium, or issue any certificate, or pay,

allow, or offer or promise to pay or allow, any death or disability benefit to any person until:

(a) Actual bona fide applications for death benefits have been secured aggregating at least $500,000 on not less than 500 lives;

(b) All such applicants for death benefits have furnished evidence of insurability satisfactory to the society;

(c) Certificates of examinations or acceptable declarations of insurability have been duly filed and approved by the chief medical examiner of the society;

(d) Ten subordinate lodges or branches have been established into which the 500 applicants have been admitted.

(e) There has been submitted to the commissioner, under oath of the president or secretary, or corresponding officer of the society, a list of such applicants, giving their names, addresses, date each was admitted, name and number of the subordinate branch of which each applicant is a member, amount of benefits to be granted and premiums therefor; and

(f) It has been shown to the commissioner, by sworn statement of the treasurer or corresponding officer of such society, that at least 500 applicants have each paid in cash at least one regular monthly premium as provided in this subtitle, which premiums in the aggregate shall amount to at least $2,500, all of which shall be credited to the fund or funds from which benefits are to be paid and no part of which may be used for expenses.

(3) The advance premiums provided for in subsection (2) shall be held in trust during the period of organization and if the society has not qualified for a certificate of authority within one year, as provided in this subtitle, such premiums shall be returned to such applicants.

Section 8. A new section of Subtitle 29 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) The Commissioner may make such examination and require such further information as he deems advisable. Upon presentation of satisfactory evidence that the society has complied with all the provisions of law, he shall issue to the society a certificate to that effect and that the society is authorized to transact business pursuant to the provisions of this subtitle.

(2) The certificate shall be prima facie evidence of the existence of the society at the date of such certificate.

(3) The commissioner shall cause a record of such certificate to be made. A certified copy of such record may be given in evidence with like effect as the original certificate.

Section 9. A new section of Subtitle 29 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

Every society shall have the power to:

(1) Adopt a constitution and laws for the government of the society, the admission of its members, the management of its affairs and the fixing and readjusting of the rates of its members from time to time.

(2) Change, alter, add to or amend such constitution and laws and shall have such other powers as are necessary and incidental to carrying into effect the objects and purposes of the society.

Section 10. A new section of Subtitle 29 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

Any incorporated society authorized to transact business in this state at the time this subtitle becomes effective may thereafter exercise all the rights, powers and privileges prescribed in this subtitle and in its charter or articles of incorporation as far as consistent with this subtitle. A domestic society shall not be required to reincorporate.

Section 11. A new section of Subtitle 29 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

No unincorporated or voluntary association shall be permitted to transact business in this state as a fraternal benefit society.

Section 12. A new section of Subtitle 29 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

The principal office of any domestic society shall be located in this state. The meetings of its supreme legislative or governing body may be held in any state, district, province or territory wherein such society has at least five subordinate branches and

all business transacted at such meetings shall be as valid in all respects as if such meetings were held in this state.

Section 13. A new section of Subtitle 29 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) Any domestic fraternal benefit society may be converted and licensed as a mutual life insurer by compliance with all the applicable requirements of Subtitle 24, if such plan of conversion has been approved by the commissioner.

(2) Such plan shall be prepared in writing setting forth in full the terms and conditions thereof.

(3) The board of directors shall submit such plan to the supreme legislative or governing body of such society at any regular or special meeting thereof, by giving a full, true and complete copy of such plan with the notice of such meeting. The notice shall be given as provided in the laws of the society for the convocation of a regular or special meeting of such body, as the case may be. The affirmative vote of two-thirds of all members of such body shall be necessary for the approval of such agreement.

(4) No such conversion shall take effect unless and until approved by the commissioner, who may give such approval if he finds that the proposed change is in conformity with the requirements of law and not prejudicial to the certificate holders of the society.

Section 14. A new section of Subtitle 29 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) A society may admit to benefit membership any person not less than fifteen years of age who has furnished evidence of insurability acceptable to the society.

(2) Any such member who applies for additional benefits more than six months after becoming a benefit member shall furnish additional evidence of insurability acceptable to the society, unless such additional benefits are issued pursuant to an existing contract under the terms of which such member is entitled to purchase such additional benefits without furnishing evidence of insurability.

(3) Any person admitted prior to attaining the age of eighteen years shall be bound by the terms of the application and certificate and by all the laws and rules of the society and shall be entitled to all the rights and privileges of membership therein to the same extent as though the age of majority had been attained at the time of application.

(4) A society may also admit general or social members, who shall have no voice or vote in the management of its insurance affairs.

Section 15. A new section of Subtitle 29 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) A domestic society may amend its articles of incorporation, constitution or laws in accordance with the provisions thereof by action of its supreme legislative or governing body at any regular or special meeting thereof or, if its articles of incorporation, constitution or laws so provide, by referendum. Such referendum may be held in accordance with the provisions of its articles of incorporation, constitution or laws by the vote of the voting members of the society, by the vote of delegates or representatives of voting members or by the vote of local lodges or branches. No amendment submitted for adoption by referendum shall be adopted unless, within six months from the date of submission thereof, a majority of all of the voting members of the society shall have signified their consent to such amendment by one of the methods herein specified.

(2) No amendment to the articles of incorporation, constitution or laws of any domestic society shall take effect unless approved by the Commissioner of Insurance who shall approve such amendment if he finds that it has been duly adopted and is not inconsistent with any requirement of the laws of this state or with the character, objects and purposes of the society. Unless the commissioner shall disapprove any such amendment within sixty days after the filing of same, such amendment shall be considered approved. The approval or disapproval of the commissioner shall be in writing and mailed to the secretary or corresponding officer of the society at its principal office. In case he disapproves such amendment, the reasons therefor shall be stated in such written notice.

(3) Within ninety days from the approval thereof by the commissioner, all such amendments, or a synopsis thereof, shall be furnished to all members of the society either by mail or by publication in full in the official organ of the society. The affidavit of any officer of the society or of anyone authorized by it to mail any amendments or synopsis thereof, stating facts which show that same have been duly addressed and mailed, shall be prima facie evidence that such amendments or synopsis thereof, have been furnished the addressee.

(4) Every foreign or alien society authorized to do business in this state shall file with the commissioner a duly certified copy of all amendments of, or additions to, its articles of incorporation, constitution or laws within ninety days after the enactment of same.

(5) Printed copies of the constitution or laws as amended, certified by the secretary or corresponding officer of the society shall be prima facie evidence of the legal adoption thereof.

Section 16. A new section of Subtitle 29 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) It shall be lawful for a society to create, maintain and operate charitable, benevolent or educational institutions for the benefit of its members and their families and dependents and for the benefit of children insured by the society. For such purpose it may own, hold or lease personal property or real property located within or without this state, with necessary buildings thereon. Such property shall be reported in every annual statement but shall not be allowed as an admitted asset of such society.

(2) Maintenance, treatment and proper attendance in any such institution may be furnished free or a reasonable charge may be made therefor, but no such institution shall be operated for profit. The society shall maintain a separate accounting of any income and disbursements under this section and report them in its annual statement. No society shall own or operate funeral homes or undertaking establishments.

Section 17. A new section of Subtitle 29 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

The officers and members of the supreme, grand or any subordinate body of a society shall not be personally liable for payment of any benefits provided by a society.

Section 18. A new section of Subtitle 29 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) A society authorized to do business in this state may provide for the payment of:

(a) Death benefits in any form;

(b) Endowment benefits;

(c) Annuity benefits;

(d) Temporary or permanent disability benefits as a result of disease or accident;

(e) Hospital, medical or nursing benefits due to sickness or bodily infirmity or accident; and

(f) Monument or tombstone benefits to the memory of deceased members not exceeding in any case the sum of three hundred dollars.

(2) Such benefits may be provided on the lives of the members or, upon application of a member, on the lives of the member's family, including the member, the member's spouse and minor children, in the same or separate certificates.

Section 19. A new section of Subtitle 29 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

A society may provide for benefits on the lives of children under the minimum age for adult membership but not greater than eighteen years of age at time of application therefor, upon the application of some adult person, as its laws or rules may provide, which benefits shall be in accordance with the provisions of Section 18 of Subtitle 29 of this Act. A society may, at its option, organize and operate branches for such children. Membership and initiation in local lodges shall not be required of such children, nor shall they have a voice in the management of the society.

A society shall have power to provide for the designation and changing of designation of beneficiaries in the certificates

providing for such benefits and to provide in all other respects for the regulation, government and control of such certificates and all rights, obligations and liabilities incident thereto and connected therewith.

Section 20. A new section of Subtitle 29 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

A society may grant paid-up nonforfeiture benefits, cash surrender values, certificate loans and such other options as its laws may permit. As to certificates issued on and after the effective date of this subtitle, a society shall grant at least one paid-up nonforfeiture benefit, except in the case of pure endowment, annuity or reversionary annuity contracts, reducing term insurance contracts or contracts of term insurance of uniform amount of fifteen years or less expiring before age sixty-six.

In the case of certificates other than those for which reserves are computed on the Commissioners 1941 Standard Ordinary Mortality Table, the Commissioners 1941 Standard Industrial Mortality Table or the Commissioners 1958 Standard Ordinary Mortality Table, the value of every paid-up nonforfeiture benefit and the amount of any cash surrender value, loan or other option granted shall not be less than the excess, if any, of (1) over (2) as follows:

(1) The reserve under the certificate determined on the basis specified in the certificate; and

(2) The sum of any indebtedness to the society on the certificate, including interest due and accrued, and a surrender charge equal to two and one-half percent of the face amount of the certificate, which, in the case of insurance on the lives of children, shall be the ultimate face amount of the certificate, if death benefits provided therein are graded.

However, in the case of certificates issued on a substandard basis or in the case of certificates, the reserves for which are computed upon the American Men Ultimate Table of Mortality, the term of any extended insurance benefit granted including accompanying pure endowment, if any, may be computed upon the rates of mortality not greater than 130 percent of those shown by the mortality table specified in the certificate for the computation of the reserve.

In the case of certificates for which reserves are computed on the Commissioners 1941 Standard Ordinary Mortality Table, the Commissioners 1941 Standard Industrial Mortality Table or the Commissioners 1958 Standard Ordinary Mortality Table, every paid-up nonforfeiture benefit and the amount of any cash surrender value, loan or other option granted shall not be less than the corresponding amount ascertained in accordance with the provisions of the laws of this state applicable to life insurers issuing policies containing like insurance benefits based upon such tables.

Section 21. A new section of Subtitle 29 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) A member shall have the right at all times to change the beneficiary or beneficiaries in accordance with the constitution, laws or rules of the society. Every society by its constitution, laws or rules may limit the scope of beneficiaries and shall provide that no beneficiary shall have or obtain any vested interest in the proceeds of any certificate until the certificate has become due and payable in conformity with the provisions of the insurance contract.

(2) A society may make provision for the payment of funeral benefits to the extent of such portion of any payment under a certificate as might reasonably appear to be due to any person equitably entitled thereto by reason of having incurred expense occasioned by the burial of the member, but the portion so paid shall not exceed the sum of $500.

(3) If, at the death of any member, there is no lawful beneficiary to whom the insurance benefits are payable, the amount of such benefits, except to the extent that funeral benefits may be paid as provided in subsection (2), shall be payable to the personal representative of the deceased member.

Section 22. A new section of Subtitle 29 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

No money or other benefit, charity, relief or aid to be paid, provided or rendered by any society, shall be liable to attachment, garnishment or other process, or to be seized, taken, appropriated or applied by any legal or equitable process or opera-

tion of law to pay any debt or liability of a member or beneficiary, or any other person who may have a right thereunder, either before or after payment by the society.

Section 23. A new section of Subtitle 29 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) Every society authorized to do business in this state shall issue to each benefit member a certificate specifying the amount of benefits provided thereby. The certificate, together with any riders or endorsements attached thereto, the charter or articles of incorporation, the constitution and laws of the society, the application for membership, and declaration of insurability, if any, signed by the applicant, and all amendments to each thereof, shall constitute the agreement, as of the date of issuance, between the society and the member, and the certificate shall so state. A copy of the application for membership and of the declaration of insurability, if any, shall be endorsed upon or attached to the certificate.

(2) All statements purporting to be made by the member shall be representations and not warranties. Any waiver of this provision shall be void.

(3) Any changes, additions or amendments to the charter or articles of incorporation, constitution or laws duly made or enacted and approved by the commissioner subsequent to the issuance of the cetrificate, shall bind the member and the beneficiaries, and shall govern and control the agreement in all respects the same as though such charges, additions or amendments had been made prior to and were in force at the time of the application for membership except that no change, addition, or amendment shall destroy or diminish benefits which the society contracted to give the member as of the date of issuance.

(4) Copies of any of the documents mentioned in this section, certified by the secretary or corresponding officer of the society, shall be received in evidence of the terms and conditions thereof.

(5) A society shall provide in its constitution or laws that if its reserves as to all or any class of certificates become impaired its board of directors or corresponding body may require that there shall be paid by the member to the society the amount

of the member's equitable proportion of such deficiency as ascertained by its board, and that if the payment be not made it shall stand as an indebtedness against the certificate and draw interest not to exceed 5 percent per annum compounded annually.

Section 24. A new section of Subtitle 29 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) No fraternal benefit certificate may be delivered or issued for delivery in this state unless a copy of the form of such certificate has been filed with the commissioner. No application form may be used with and no rider and no endorsement, except as stated in subsection (2), may be attached to or printed or stamped upon such certificate unless the form of such application, rider or endorsement has been filed with the commissioner. No certificates may be delivered or issued for delivery in this state and no application riders or endorsements may be used in connection with such certificates unless approved by the commissioner as conforming to the requirements of the laws of this state and not inconsistent therewith.

(2) The provisions of this section do not apply to any special rider or endorsement on any such certificate which relates only to the manner of distribution of benefits or to the reservation of rights and benefits under such certificate and which is used at the request of the individual certificate holder.

(3) The commissioner may disapprove any such certificate if he finds the same contains any provision, or has any title, heading, backing or other indication of the contents of any or all of its provisions, which is likely to mislead the certificate holder or be prejudicial to his interests.

(4) Every filing required to be made under this section shall be made not less than thirty days in advance of any delivery to a policyholder, contract holder or certificate holder. At the expiration of such thirty days the form so filed shall be deemed approved unless prior thereto it has been affirmatively approved or disapproved by order of the commissioner. Approval of any such form by the commissioner shall constitute a waiver of any unexpired portion of such waiting period. The commissioner may extend by not more than an additional thirty days the period within which he may so affirmatively approve or dis-

approve any such form, by giving notice to the insurer of such extension before expiration of the initial thirty-day period. At the expiration of such period as so extended, and in the absence of such prior affirmative approval or disapproval, any such form shall be deemed approved.

(5) The certificate shall contain in substance the following standard provisions or, in lieu thereof, provisions which are more favorable to the member:

(a) A title on the face and filing page of the certificate clearly and correctly describing its form.

(b) A provision stating the amount of rates, premiums or other required contributions, by whatever name known, which are payable by the insured under the certificate.

(c) A provision that the member is entitled to a grace period of not less than a full month, or thirty days at the option of the society, in which the payment of any premium after the first may be made. During such grace period the certificate shall continue in full force, but in case the certificate becomes a claim during the grace period before the overdue payment is made, the amount of such overdue payment or payments may be deducted in any settlement under the certificate.

(d) A provision that the member shall be entitled to have the certificate reinstated at any time within three years from the due date of the premium in default, unless the certificate has been completely terminated through the application of a nonforfeiture benefit, cash surrender value or certificate loan, upon the production of evidence of insurability satisfactory to the society and the payment of all overdue premiums and any other indebtedness to the society upon the certificate, together with interest on such premiums and such indebtedness, if any, at a rate not exceeding 6 percent per annum compounded annually.

(e) Except in the case of pure endowment, annuity or reversionary annuity contracts, reducing term insurance contracts, or contracts of term insurance of uniform amount of fifteen years or less expiring before age sixty-six, a provision that, in the event of default in payment of any premium after three full years' premiums have been paid or after premiums for a lesser period have been paid if the contract so provides, the society will grant,

upon proper request not later than sixty days after the due date of the premium in default, a paid-up nonforfeiture benefit on the plan stipulated in the certificate, effective as of such due date, of such value as specified in this subtitle. The certificate may provide, if the society's laws so specify or if the member so elects prior to the expiration of the grace period of any overdue premium, that default shall not occur so long as premiums can be paid under the provisions of an arrangement for automatic premium loan as may be set forth in the certificate.

(f) A provision that one paid-up nonforfeiture benefit as specified in the certificate shall become effective automatically unless the member elects another available paid-up nonforfeiture benefit, not later than sixty days after the due date of the premium in default.

(g) A statement of the mortality table and rate of interest used in determining all paid-up nonforfeiture benefits and cash surrender options available under the certificate, and a brief general statement of the method used in calculating such benefits.

(h) A table showing in figures the value of every paid-up nonforfeiture benefit and cash surrender option available under the certificate for each certificate anniversary either during the first twenty certificate years or during the term of the certificate, whichever is shorter.

(i) A provision that the certificate shall be incontestable after it has been in force during the lifetime of the member for a period of two years from its date of issue except for nonpayment of premiums, violation of the provisions of the certificate relating to military, aviation or naval service and violation of the provisions relating to suspension or expulsion as substantially set forth in the certificate. At the option of the society, supplemental provisions relating to benefits in the event of temporary or permanent disability or hospitalization, and provisions which grant additional insurance specifically against death by accident or accidental means, may also be excepted. The certificate shall be incontestable on the ground of suicide after it has been in force during the lifetime of the member for a period of two years from date of issue. The certificate may provide, as to statements made to procure reinstatement, that the society shall have the right to contest a reinstated certificate

within a period of two years from date of reinstatement with the same exceptions as provided in this section.

(j) A provision that in case the age or sex of the member or of any other person is considered in determining the premium and it is found at any time before final settlement under the certificate that the age or sex has been misstated, and the discrepancy and premium involved have not been adjusted, the amount payable shall be such as the premium would have purchased at the correct age and sex. If the correct age or sex was not an insurable age or sex under the society's charter or laws, only the premiums paid to the society, less any payments previously made to the member, shall be returned or, at the option of the society, the amount payable under the certificate shall be such as the premium would have purchased at the correct age and sex according to the society's promulgated rates and any extension thereof based on actuarial principles.

(k) A provision or provisions which recite fully, or which set forth the substance of, all sections of the charter, constitution, laws, rules or regulations of the society, in force at the time of issuance of the certificate, the violation of which will result in the termination of, or in the reduction of, the benefit or benefits payable under the certificate.

(l) If the constitution or laws of the society provide for expulsion or suspension of a member, any member so expelled or suspended, except for nonpayment of a premium or within the contestable period for material misrepresentations in such member's application for membership shall have the privilege of maintaining his insurance in force by continuing payment of the required premium.

(6) Any of the provisions, or portions thereof, provided for in subsection (5) which are not applicable by reason of the plan of insurance or because the certificate is an annuity certificate may, to the extent inapplicable, be omitted from the certificate.

(7) The commissioner may, after giving thirty days' written notice with his reasons therefor to the fraternal benefit society, withdraw his approval. It is not lawful for the fraternal benefit society to issue such forms or use them after the effective date of such withdrawal of approval.

(8) Upon request, the commissioner shall grant a hearing to the fraternal benefit society affected by any order under this section, in accordance with his powers under Subtitle 2.

Section 25. A new section of Subtitle 29 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

No life benefit certificate shall be delivered or issued for delivery in this state containing in substance any of the following provisions:

(1) Any provision limiting the time within which any action at law or in equity may be commenced to less than two years after the cause of action accrues;

(2) Any provision by which the certificate purports to be issued or to take effect more than six months before the original application for the certificate was made, except in case of transfer from one form of certificate to another in conection with which the member is to receive credit for any reserve accumulation under the form of certificate from which the transfer is made; or

(3) Any provision for forfeiture of the certificate for failure to repay any loan thereon or to pay interest on such loan while the total indebtedness, including interest, is less than the loan value of the certificate.

Section 26. A new section of Subtitle 29 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) No domestic, foreign or alien society authorized to do business in this state shall issue or deliver in this state any certificate or other evidence of any contract of accident insurance or health insurance or of any total and permanent disability insurance contract unless and until the form thereof, together with the form of application and all riders or endorsements for use in connection therewith, have been filed with and approved by the commissioner.

(2) The commissioner shall have power, from time to time, to make, alter and supersede reasonable regulations prescribing the required, optional and prohibited provisions in such contracts, and such regulations shall conform, as far as practicable, to the provisions of Subtitle 17.

(3) Where the commissioner deems inapplicable, either in part or in their entirety, the provisions of the foregoing sections, he may prescribe the portions or summary thereof of the contract to be printed on the certificate issued to the member.

(4) Any filing made hereunder shall be deemed approved unless disapproved within sixty days from the date of such filing.

Section 27. A new section of Subtitle 29 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

The constitution and laws of the society may provide that no subordinate body, nor any of its subordinate officers or members shall have the power or authority to waive any of the provisions of the laws and constitution of the society. Such provision shall be binding on the society and every member and beneficiary of a member.

Section 28. A new section of Subtitle 29 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) A domestic society may, by a reinsurance agreement, cede any individual risk or risks in whole or in part to an insurer other than another fraternal benefit society, having the power to make such reinsurance and authorized to do business in this state, or if not so authorized, one which is approved by the commissioner, but no such society may reinsure substantially all of its insurance in force without the written permission of the commissioner.

(2) A society may take credit for the reserves on such ceded risks to the extent reinsured, but no credit shall be allowed as an admitted asset or as a deduction from liability to a ceding society for reinsurance made, ceded, renewed, or otherwise becoming effective after the effective date of this subtitle, unless the reinsurance is payable by the assuming insurer on the basis of the liability of the ceding society under the contract or contracts reinsured without diminution because of the insolvency of the ceding society.

Section 29. A new section of Subtitle 29 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) Societies which are authorized on the effective date of this code to transact business in this state may continue such

business until the first day of May next succeeding the effective date of this code. The authority of such societies and all societies licensed after the effective date of this code may thereafter be renewed annually, but in all cases shall terminate on the first day of the succeeding May; but a license so issued shall continue in full force and effect until the new license is issued or specifically refused.

(2) For each such license or renewal the society shall pay to the commissioner a fee of $25.

(3) A duly certified copy or duplicate of such license shall be prima facie evidence that the licensee is a fraternal benefit society within the meaning of this subtitle.

Section 30. A new section of Subtitle 29 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

No foreign or alien society shall transact business in this state without a license issued by the commissioner. Any such society may be licensed to transact business in this state upon filing with the commissioner.

(1) A duly certified copy of its charter or articles of incorporation;

(2) A copy of its constitution and laws, certified by its secretary or corresponding officer;

(3) A power of attorney to the commissioner as prescribed in Section 40 of Subtitle 29 of this Act;

(4) A statement of its business under oath of its president and secretary or corresponding officers in a form prescribed by the commissioner, duly verified by an examination made by the supervising insurance official of its home state or other state, territory, province or country, satisfactory to the commissioner;

(5) A certificate from the proper official of its home state, territory, province or country that the society is legally incorporated and licensed to transact business therein;

(6) Copies of its certificate forms; and

(7) Such other information as he may deem necessary; and upon a showing that its assets are invested in accordance with the provisions of this subtitle.

Any foreign or alien society desiring admission to this state shall have the qualifications required of domestic societies organized under this subtitle.

Section 31. A new section of Subtitle 29 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) When the commissioner upon investigation finds that a domestic society:

(a) Has exceeded its powers;

(b) Has failed to comply with any provision of this subtitle;

(c) Is not fulfilling its contracts in good faith;

(d) Has a membership of less than 400 after an existence of one year or more; or

(e) Is conducting business fraudulently or in a manner hazardous to its members, creditors, the public or the business; he shall notify the society of such deficiency or deficiencies and state in writing the reasons for his dissatisfaction. He shall at once issue a written notice to the society requiring that the deficiency or deficiencies which exist are corrected. After such notice the society shall have a thirty-day period in which to comply with the commissioner's request for correction, and if the society fails to comply, the commissioner shall notify the society of his findings of noncompliance and require the society to show cause on a date named why it should not be enjoined from carrying on any business until the violation complained of shall have been corrected, or why an action in quo warranto should not be commenced against the society.

If on such date the society does not present good and sufficient reasons why it should not be so enjoined or why such action should not be commenced, the commissioner may present the facts relating thereto to the attorney general who shall, if enjoin the society from transacting business or in quo warranto.

The court shall thereupon notify the officers of the society of a hearing. If after a full hearing it appears that the society should be so enjoined or liquidated or a receiver appointed, the court shall enter the necessary order.

(2) No society so enjoined shall have the authority to do business until:

(a) The commissioner finds that the violation complained of has been corrected;

(b) The costs of such action shall have been paid by the society if the court finds that the society was in default as charged;

(c) The court has dissolved its injunction; and

(d) The commissioner has reinstated the certificate of authority.

(3) If the court orders the society liquidated, it shall be enjoined from carrying on any further business, whereupon the receiver of the society shall proceed at once to take possession of the books, papers, money and other assets of the society and, under the direction of the court, proceed forthwith to close the affairs of the society and to distribute its funds to those entitled thereto.

(4) No action under this section shall be recognized in any court of this state unless brought by the Attorney General upon request of the commissioner. Whenever a receiver is to be appointed for a domestic society, the court shall appoint the commissioner as such receiver.

(5) The provisions of this section relating to hearing by the commissioner, action by the Attorney General at the request of the commissioner, hearing by the court, injunction and receivership shall be applicable to a society which shall voluntarily determine to discontinue business.

Section 32. A new section of Subtitle 29 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) When the commissioner upon investigation finds that a foreign or alien society transacting or applying to transact business in this state:

(a) Has exceeded its powers;

(b) Has failed to comply with any of the provisions of this subtitle;

(c) Is not fulfilling its contracts in good faith; or

(d) Is conducting its business fraudulently or in a manner hazardous to its members or creditors or the public; he shall notify the society of such deficiency or deficiencies and state in writing the reasons for his dissatisfaction. He shall at once issue a written notice to the society requiring that the deficiency or deficiencies which exist are corrected. After such notice the society shall have a thirty-day period in which to comply with the commissioner's request for correction, and if the society fails to comply the commissioner shall notify the society of his findings of noncompliance and require the society to show cause on a date named why its license should not be suspended, revoked or refused. If on such date the society does not present good and sufficient reason why its authority to do business in this state should not be suspended, revoked or refused, he may suspend or refuse the license of the society to do business in this state until satisfactory evidence is furnished to him that such suspension or refusal should be withdrawn or he may revoke the authority of the society to do business in this state.

(2) Nothing contained in this section shall be taken or construed as preventing any such society from continuing in good faith all contracts made in this state during the time such society was legally authorized to transact business herein.

Section 33. A new section of Subtitle 29 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

The term "insurance agent" as used in Sections 33 to 39, inclusive, of Subtitle 29 of this Act means any authorized or acknowledged agent of a society who acts as such in the solicitation, negotiation or procurement or making of a life insurance, accident and health insurance or annuity contract, except that the term "insurance agent" shall not include:

(1) Any regular salaried officer or employe of a licensed society who devotes substantially all of its services to activities other than the solicitation of fraternal insurance contracts from the public, and who receives for the solicitation of such contracts no commission or other compensation directly dependent upon the amount of business obtained; or

(2) Any agent or representative of a society who devotes, or intends to devote, less than 50 percent of his time to the

solicitation and procurement of insurance contracts for such society. Any person who in the preceding calendar year has solicited and procured life insurance contracts on behalf of any society in an amount of insurance in excess of $50,000, or, in the case of any other kind or kinds of insurance which the society might write, on the persons of more than twenty-five individuals, and who has received or will receive a commission or other compensation therefor, shall be presumed to be devoting, or intending to devote, 50 percent of his time to the solicitation or procurement of insurance contracts for such society.

Section 34. A new section of Subtitle 29 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

Any person who in this state as insurance agent for a society without having authority so to do by virtue of a license issued and in force pursuant to the provisions of Sections 33 to 39, inclusive, of Subtitle 29 of this Act, is except as provided in Section 33, guilty of a misdemeanor.

Section 35. A new section of Subtitle 29 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

No society doing business in this state shall pay any commission or other compensation to any person for any services in obtaining in this state any new contract of life, accident, or health insurance, or any new annuity contract, except to a licensed insurance agent of such society or to an agent exempted under Section 33 of Subtitle 29 of this Act.

Section 36. A new section of Subtitle 29 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) The commissioner may issue a license to any person who has paid an annual license fee of $5 and who has complied with the requirements of this subtitle authorizing such licensee to act as an insurance agent on behalf of any society named in such license, which society is authorized to do business in this state.

(2) Before any insurance agent's license shall be issued there shall be on file in the office of the commissioner the following documents:

(a) A written application by the prospective licensee in such form or forms and supplements thereto, and containing such information, as the commissioner may prescribe.

(b) A certificate by the society which is to be named in such license, stating that such society has satisfied itself that the named applicant is trustworthy and competent to act as such insurance agent and that the society will appoint such applicant to act as its agent if the license applied for is issued by the commissioner. Such certificates shall be executed and acknowledged by an officer or managing agent of such society.

(3) No written or other examination shall be required of any individual seeking to be named as a licensee to represent a fraternal benefit society as its agent.

Section 37. A new section of Subtitle 29 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) The commissioner may refuse to issue or renew any insurance agent's license if in his judgment the proposed licensee is not trustworthy and competent to act as such agent, or has given cause for revocation or suspension of such license, or has failed to comply with any prerequisite for the issuance or renewal, as the case may be, of such license.

(2) Every license issued pursuant to Sections 33 to 39, inclusive, of Subtitle 29 of this Act, and every renewal thereof, shall expire on December 31 of the year following the calendar year in which such license or renewal license was issued.

(3) If the application for a renewal license has been filed with the commissioner on or before December 31 of the year in which the existing license is to expire, such applicant named in such existing license may continue to act as insurance agent under such existing license, unless such license is revoked or suspended, until the issuance by the commissioner of the renewal license or until the expiration of five days after he has refused to renew such license and has served written notice of such refusal on the applicant. If the applicant, within thirty days after which such notice is given, notifies the commissioner in writing of his request for a hearing on such refusal, the commissioner shall, within a reasonable time after receipt of such

notice, grant such hearing, and he may, in his discretion, reinstate such license.

(4) Any such renewal license of an insurance agent may be issued upon the application of the society named in the existing license. Such application shall be in the form or forms prescribed by the commissioner and shall contain such information as he may require. Such application shall contain a certificate executed by the president, or by a vice president, a secretary, an assistant secretary, or corresponding officer by whatever name known, or by an employe expressly designated and authorized to execute such certificate of a domestic or foreign society or by the United States manager of an alien society, stating that the addresses therein given of the agents of such society for whom renewal licenses are requested therein have been verified in each instance immediately preceding the preparation of the application. Notwithstanding the filing of such application, the commissioner may, after reasonable notice of any such society, require that any or all agents of such society to be named as licensees in renewal licenses execute and file separate applications for the renewal of such licenses and he may also require that each such application be accompanied by the certificate specified in subsection (2) (b) of Section 36 of Subtitle 29 of this Act.

Section 38. A new section of Subtitle 29 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

Every society doing business in this state shall, upon the termination of the appointment of any insurance agent licensed to represent it in this state, forthwith file with the commissioner a statement, in such form as he may prescribe, of the facts relative to such termination and the cause thereof. Every statement made pursuant to this section is a privileged communication.

Section 39. A new section of Subtitle 29 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) The commissioner may revoke or may suspend for such period as he may determine any insurance agent's license if, after notice and hearing as provided for in Section 37 of Subtitle 29 of this Act, he determines that the licensee has:

(a) Violated any provision of, or any obligation imposed by Sections 36 to 39, inclusive, of Subtitle 29 of this Act, or has violated any law in the course of his dealings as agent;

(b) Made a material misstatement in the application for such license;

(c) Been guilty of fraudulent or dishonest practices;

(d) Demonstrated his incompetency or untrustworthiness to act as an insurance agent; or

(e) Been guilty of rebating as defined by the laws of this state applicable to life insurers.

(2) The revocation or suspension of any insurance agent's license shall terminate forthwith the license of such agent.

(3) No individual whose license has been revoked shall be entitled to obtain any insurance agent's license under the provisions of this section for a period of one year after such revocation or, if such revocation is judicially reviewed, for one year after the final determination thereof affirming the action of the commissioner in revoking such license.

Section 40. A new section of Subtitle 29 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) Every society authorized to do business in this state shall appoint in writing the commissioner and each successor in office to be its true and lawful attorney upon whom all lawful process in any action or proceeding against it shall be served, and shall agree in such writing that any lawful process against it which is served on said attorney, shall be of the same legal force and validity as if served upon the society, and that the authority shall continue in force so long as any liability remains outstanding in this state. Copies of such appointment, certified by such commissioner, shall be deemed sufficient evidence thereof and shall be admitted in evidence with the same force and effect as the original thereof might be admitted.

(2) Service shall only be made upon the commissioner, or if absent, upon the person in charge of his office. It shall be made in duplicate and shall constitute sufficient service upon the society. When legal process against a society is served upon

the commissioner, he shall forthwith forward one of the duplicate copies by registered mail, prepaid, directed to the secretary or corresponding officer. No such service shall require a society to file its answer, pleading or defense in less than thirty days from the date of mailing the copy of the service to a society. Legal process shall not be served upon a society except in the manner herein provided. At the time of serving any process upon the commissioner, the plaintiff or complainant in the action shall pay to the Commissioner of Insurance a fee of $5.

Section 41. A new section of Subtitle 29 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

No application or petition for injunction against any domestic, foreign, or alien society, or branch thereof, shall be recognized in any court of this state unless made by the Attorney General upon request of the commissioner.

Section 42. A new section of Subtitle 29 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

All decisions and findings of the commissioner made under the provisions of this subtitle shall be subject to review by proper proceedings in any court of competent jurisdiction in this state.

Section 43. A new section of Subtitle 29 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) All assets shall be held, invested and disbursed for the use and benefit of the society and no member or beneficiary shall have or acquire individual rights therein or become entitled to any apportionment or the surrender of any part thereof, except as provided in the contract. A society may create, maintain, invest, disburse and apply any special fund or funds necessary to carry out any purpose permitted by the laws of such society.

(2) Every society, the admitted assets of which are less than the sum of its accrued liabilities and reserves under all of its certificates when valued according to standards required for certificates issued after one year from the effective date of this subtitle, shall, in every provision of the laws of the society for payments by members of such society, in whatever form made, distinctly state the purpose of the same and the proportion there-

of which may be used for expenses, and no part of the money collected for mortuary or disability purposes or the net accretions thereof shall be used for expenses.

Section 44. A new section of Subtitle 29 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

A society shall invest its funds only in such investments as are authorized by the laws of this state for the investment of assets of life insurance companies and subject to the limitations thereon. Any foreign or alien society permitted or seeking to do business in this state which invests its funds in accordance with the laws of the state, district, territory, country or province in which it is incorporated, shall be held to meet the requirements of this section for the investment of funds.

Section 45. A new section of Subtitle 29 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

Reports shall be filed and synopses of annual statements shall be published in accordance with the provisions of this section.

(1) Every society transacting business in this state shall annually, on or before the first day of March, unless for cause shown such time has been extended by the commissioner, file with the commissioner a true statement of its financial condition, transactions and affairs for the preceding calendar year and pay a fee of $25 for filing same. The statement shall be in general form and context as approved by the National Association of Insurance Commissioners for fraternal benefit societies and as supplemented by additional information required by the commissioner.

(2) A synopsis of its annual statement providing an explanation of the facts concerning the condition of the society thereby disclosed shall be printed and mailed to each benefit member of the society not later than June 1 of each year, or, in lieu thereof, such synopsis may be published in the society's official publication.

(3) As a part of the annual statement herein required, each society shall, on or before the first day of March, file with the commissioner a valuation of its certificates in force on De-

cember 31 last preceding, provided the commissioner may, in his discretion for cause shown, extend the time for filing such valuation for not more than two calendar months. Such report of valuation shall show, as reserve liabilities, the difference between the present midyear value of the promised benefits provided in the certificates of such society in force and the present midyear value of the future net premiums as the same are in practice actually collected, not including therein any value for the right to make extra assessments and not including any amount by which the present midyear value of future net premiums exceeds the present midyear value of promised benefits on individual certificates. At the option of any society, in lieu of the above, the valuation may show the net tabular value. Such net tabular value as to certificates issued prior to one year after the effective date of this subtitle shall be determined in accordance with the provisions of law applicable prior to the effective date of this subtitle and as to certificates issued on or after one year from the effective date of this subtitle shall not be less than the reserves determined according to the Commissioner's Reserve Valuation Method as hereinafter defined. If the premium charged is less than the tabular net premium according to the basis of valuation used, an additional reserve equal to the present value of the deficiency in such premiums shall be set up and maintained as a liability. The reserve liabilities shall be properly adjusted in the event that the midyear or tabular values are not appropriate.

Section 46. A new section of Subtitle 29 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

A society neglecting to file the annual statement in the form and within the time provided in preceding sections of this subtitle shall forfeit $100 for each day during which such neglect continues, and, upon notice by the commissioner to that effect, its authority to do business in this state shall cease while such default continues.

Section 47. A new section of Subtitle 29 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) Reserves according to the Commissioners Reserve Valuation Method for the life insurance and endowment benefits of certificates providing for a uniform amount of insurance

and requiring the payment of uniform premiums shall be the excess, if any, of the present value, at the date of valuation, of such future guaranteed benefits provided for by such certificates, over the then-present value of any future modified net premiums therefor. The modified net premiums for any such certificate shall be such a uniform percentage of the respective contract premiums for such benefits that the present value, at the date of issue of the certificate, of all such modified net premiums shall be equal to the sum of the then-present value of such benefits provided for by the certificate and the excess of:

(a) A net level premium equal to the present value, at the date of issue, of such benefits provided for after the first certificate year, divided by the present value, at the date of issue, of an annuity of one percent per annum payable on the first and each subsequent anniversary of such certificates on which a premium falls due; over

(b) A net one-year term premium for such benefits provided for in the first certificate year.

(2) The net level annual premium referred to in paragraph (a) of subsection (1) shall not exceed the net level annual premium on the nineteen-year premium whole life plan for insurance of the same amount at an age one year higher than the age at issue of such certificate.

(3) Reserves according to the Commissioners Reserve Valuation method for:

(a) Life insurance benefits for varying amounts of benefits or requiring the payment of varying premiums;

(b) Annuity and pure endowment benefits;

(c) Disability and accidental death benefits in all certificates and contracts; and

(d) All other benefits except life insurance and endowment benefits;

shall be calculated by a method consistent with the principles of this section.

Section 48. A new section of Subtitle 29 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

The present value of deferred payments due under in-

curred claims or matured certificates shall be deemed a liability of the society and shall be computed upon mortality and interest standards prescribed in the following section of this subtitle.

Section 49. A new section of Subtitle 29 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) The valuation and underlying data shall be certified by a competent actuary or, at the expense of the society, verified by the actuary of the department of insurance of the state of domicile of the society.

(2) The minimum standards of valuation for certificates issued prior to the effective date of this subtitle, shall be those provided by the law applicable immediately prior to the effective date of this subtitle, but not lower than the standards used in the calculating of rates for such certificates.

(3) The minimum standard of valuation for certificates issued after the effective date of this subtitle, shall be 3½ percent interest and the following:

(a) For certificates of life insurance, American Men Ultimate Table of Mortality, with Bowerman's or Davis' Extension thereof or with the consent of the commissioner, the Commissioners 1941 Standard Ordinary Mortality Table, the Commissioners 1941 Standard Industrial Mortality Table or the Commissioners 1958 Standard Ordinary Mortality Table, using actual age of the insured for male risks and an age not more than three years younger than the actual age of the insured for female risks;

(b) For annuity and pure endowment certificates, excluding any disability and accidental death benefits, the 1937 Standard Annuity Mortality Table or the Annuity Mortality Table for 1949, Ultimate, or any modification of either of these tables approved by the commissioner;

(c) For total and permanent disability benefits in or supplementary to life insurance certificates, Hunter's Disability Table, or the Class III Disability Table (1926) modified to conform to the contractual waiting period, or the tables of Period 2 disablement rates and the 1930 to 1950 termination rates of the 1952 Disability Study of the Society of Actuaries with due regard to the type of benefit. Any such table shall, for active lives, be combined with a mortality table permitted for calculating the reserves for life insurance certificates;

(d) For accidental death benefits in or supplementary to Life Insurance Certificates, the Inter-Company Double Indemnity Mortality Table or the 1959 Accidental Death Benefits Table. Either table shall be combined with a mortality table permitted for calculating the reserves for life insurance certificates; and

(e) For noncancellable accident and health benefits, the Class III Disability Table (1926) with conference modifications or, with the consent of the commissioner, tables based upon the society's own experience.

(4) The commissioner may, in his discretion:

(a) Accept other standards for valuation if he finds that the reserves produced thereby will not be less in the aggregate than reserves computed in accordance with the minimum valuation standard herein prescribed.

(b) Vary the standards of mortality applicable to all certificates of insurance on sub-standard lives or other extra hazardous lives by any society authorized to do business in this state.

(5) Whenever the mortality experience under all certificates valued on the same mortality table is in excess of the expected mortality according to such table for a period of three consecutive years, the commissioner may require additional reserves when deemed necessary in his judgment on account of such certificates.

(6) Any society, with the consent of the commissioner of the state of domicile of the society and under such conditions, if any, as he may impose, may establish and maintain reserves on its certificates in excess of the reserves required thereunder, but the contractual rights of any insured member shall not be affected thereby.

Section 50. A new section of Subtitle 29 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

The commissioner or any person he may appoint, shall have the power of visitation and examination into the affairs of any domestic society and he shall make such examination at least once in every three years. He may employ assistants for the pur-

pose of such examination, and he, or any person he may appoint, shall have free access to all books, papers and documents that relate to the business of the society. The minutes of the proceedings of the supreme legislative or governing body and of the board of directors or corresponding body of a society shall be in the English language. In making any such examination the commissioner, may summon and qualify as witnesses under oath (and) examine its officers, agents and employes or other persons in relation to the affairs, transactions and conditions of the society. A summary of the report of the commissioner and such recommendations or statements of the commissioner as may accompany such report, shall be read at the first meeting of the board of directors or corresponding body of the society following the receipt thereof, and if directed so to do by the commissioner, shall also be read at the first meeting of the supreme legislative or governing body of the society following the receipt thereof. A copy of the report, recommendations and statements of the commissioner shall be furnished by the society to each member of such board of directors or other governing body. The expense of each examination of each valuation, including compensation and actual expense of examiners, shall be paid by the society examined or whose certificates are valued, upon statements furnished by the commissioner.

Section 51. A new section of Subtitle 29 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

The commissioner, or any person whom he may appoint, may examine any foreign or alien society transacting or applying for admission to transact business in this state. He may employ assistants and he, or any person he may appoint, shall have free access to all books, papers and documents that relate to the business of the society. He may in his discretion accept, in lieu of such examination, the examination of the insurance department of the state, territory, district, province or country where such society is organized. The compensation and actual expenses of the examiners making any examination or general or special valuation shall be paid by the society examined or by the society whose certificate obligations have been valued, upon statements furnished by the commissioner.

Section 52. A new section of Subtitle 29 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

Pending, during or after an examination or investigation of a society, either domestic, foreign or alien, the commissioner shall make public no financial statement, report or finding, nor shall he permit to become public any financial statement, report or finding, affecting the status, standing or rights of any society, until a copy thereof shall have been served upon the society at its principal office and the society shall have been afforded a reasonable opportunity to answer any such financial statement, report or finding and to make such showing in connection therewith as it may desire.

Section 53. A new section of Subtitle 29 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) No person shall cause or permit to be made, issued or circulated in any form:

(a) Any misrepresentation or false or misleading statement concerning the terms, benefits or advantages of any fraternal insurance contract now issued or to be issued in this state, or the financial condition of any society;

(b) Any false or misleading estimate or statement concerning the dividends or shares of surplus paid or to be paid by any society on any insurance contract; or

(c) Any incomplete comparison of an insurance contract of one society with an insurance contract of another society or insurer for the purpose of inducing the lapse, forfeiture or surrender of any insurance contract.

(2) A comparison of insurance contracts is incomplete if it does not compare in detail:

(a) The gross rates, and the gross rates less any dividend or other deduction allowed at the date of the comparison; and

(b) Any increase in cash values, and all the benefits provided by each contract for the possible duration thereof as determined by the life expectancy of the insured.

(3) A comparison of insurance contracts is incomplete if it omits from consideration:

(a) Any benefit or value provided in the contract;

(b) Any differences as to amount or period of rates; or

(c) Any differences in limitations or conditions or provisions which directly or indirectly affect the benefits.

(4) In any determination of the incompleteness or misleading character of any comparison or statement, it shall be presumed that the insured had no knowledge of any of the contents of the contract involved.

(5) Any person who violates any provision of this section or knowingly receives any compensation or commission by or in consequence of such violation is guilty of a gross misdemeanor, and shall in addition be liable for a civil penalty in the amount of three times the sum received by such violator as compensation or commission, which penalty may be recovered in a civil action by any person or society aggrieved by his or its own use and benefit.

Section 54. A new section of Subtitle 29 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) No society doing business in this state shall make or permit any unfair discrimination between insured and members of the same class and equal expectation of life in the premiums charged for certificates of insurance, in the dividends or other benefits payable thereon or in any other of the terms and conditions of the contracts it makes.

(2) No society, by itself, or any other party, and no agent or solicitor, personally, or by any other party, shall offer, promise, allow, give, set off, or pay, directly or indirectly, any valuable consideration or inducement to, or for insurance, on any risk authorized to be taken by such society, which is not specified in the certificate. No member shall receive or accept, directly or indirectly, any rebate of premium, or part thereof, or agent's or solicitor's commission thereon, payable on any certificate or receive or accept any favor or advantage or share in the dividends or other benefits to accrue on, or any valuable consideration or inducement not specified in the contract of insurance.

Section 55. A new section of Subtitle 29 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

Every society organized or licensed under this subtitle is hereby declared to be a charitable and benevolent institution, and all of its funds shall be exempt from all and every state, county, district, municipal and school tax other than taxes on real estate and office equipment.

Section 56. A new section of Subtitle 29 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

Except as herein provided, societies shall be governed by this subtitle and shall be exempt from all other provisions of the insurance laws of this state, not only in governmental relations with the state, but for every other purpose. No law hereafter enacted shall apply to them, unless they be expressly designated therein.

Section 57. A new section of Subtitle 29 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) Nothing contained in this subtitle shall be construed to affect or apply to:

(a) Grand or subordinate lodges of societies, orders or associations now doing business in this state which provide benefits exclusively through local or subordinate lodges;

(b) Orders, societies or associations which admit to membership only persons engaged in one or more crafts or hazardous occupations, in the same or similar lines of business, insuring only their own members and their families and the ladies' societies or ladies' auxiliaries to such orders, societies or association;

(c) Domestic societies which limit their membership to employes of a particular city or town, designated firm, business house or corporation which provide for a death benefit of not more than $400 or disability benefits of not more than $350 to any person in any one year, or both; or

(d) Domestic societies or associations of a purely religious, charitable or benevolent description, which provide for a death benefit of not more than $400 or for disability benefits of not more than $350 to any one person in any one year, or both.

(2) Any society or association described in paragraphs (c) or (d) of subsection (1) which provides for death or disability benefits for which benefit certificates are issued, and any such

society or association included in paragraph (d) of subsection (1) which has more than 1,000 members, shall not be exempted from the provisions of this subtitle but shall comply with all requirements thereof.

(3) No society which, by the provisions of this section, is exempt from the requirements of this subtitle, except any society described in paragraph (b) of subsection (1), shall give or allow, or promise to give or allow, to any person any compensation for procuring new members.

(4) Every society which provides for benefits in case of death or disability resulting solely from accident and which does not obligate itself to pay natural death or sick benefits shall have all of the privileges and be subject to all the applicable provisions and regulations of this subtitle, except that the provisions thereof relating to medical examination, valuations of benefit certificates and incontestability shall not apply to such society.

(5) The commissioner may require from any society or association, by examination or otherwise, such information as will enable him to determine whether such society or association is exempt from the provisions of this subtitle.

(6) Societies, exempted under the provisions of this section, shall also be exempt from all other provisions of the insurance laws of this state.

Section 58. A new section of Subtitle 29 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) Any person who wilfully makes a false or fraudulent statement in or relating to an application for membership or for the purpose of obtaining money from or a benefit in any society, shall upon conviction be fined not less than $100 nor more than $500 or imprisonment in the county jail not less than thirty days nor more than one year, or both.

(2) Any person who wilfully makes a false or fraudulent statement in any verified report or declaration under oath required or authorized by this subtitle, or of any material fact or thing contained in a sworn statement concerning the death or disability of a member for the purpose of procuring payment of a

benefit named in the certificate, shall be guilty of perjury and shall be subject to the penalties therefor prescribed by law.

(3) Any person who solicits membership for, or in any manner assists in procuring membership in, any society not licensed to do business in this state shall upon conviction be fined not less than $50 nor more than $200.

(4) Any person guilty of a wilful violation of, or neglect or refusal to comply with, the provisions of this subtitle for which a penalty is not otherwise prescribed, shall upon conviction, be subject to the penalties provided by Section 1 of Subtitle 99 of this Act.

SUBTITLE 30

Section 1. A new section of Subtitle 30 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

The provisions of this subtitle shall not apply with respect to (1) any insurer licensed to do business in this state, (2) any banking institution, trust, loan, mortgage, safe deposit company, or title insurer, building association, credit union, moneylenders, or common trust fund authorized to do business in this state, and (3) the inclusion of a charge for insurance in connection with an installment sale of a motor vehicle made in accordance with KRS Chapter 190.

Section 2. A new section of Subtitle 30 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

For the purpose of this subtitle:

(1) The term "insurance premium finance company" or "premium finance company" means a person engaged in the business of entering into insurance premium finance agreements.

(2) The term "premium finance agreement" means an agreement by which an insured or prospective insured promises to pay to a premium finance company the amount advanced or to be advanced under the agreement to an insurer or to an insurance agent in payment of premiums on an insurance contract together with a service charge as authorized and limited by this subtitle.

(3) The term "licensee" means a premium finance company, holding a license issued by the commissioner under this subtitle.

Section 3. A new section of Subtitle 30 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) No person shall engage in the business of financing insurance premiums in this state without first having obtained a license as a premium finance company from the commissioner. Any person who shall engage in the business of financing insurance premiums in this state without obtaining a license as provided hereunder shall, upon conviction in the court, be guilty of a misdemeanor and shall be subject to a fine of not more than $1,000 or be imprisoned not more than one year, or both.

(2) The annual license fee shall be $50. Licenses may be renewed from year to year as of the first day of May of each year upon payment of the fee of $50.

(3) The person to whom the license or the renewal thereof may be issued shall file sworn answers, subject to the penalties of perjury, to such interrogatories as the commissioner may require. The commissioner shall have authority, at any time, to require the applicant fully to disclose the identity of all stockholders, partners, officers, and employes and he may, in his discretion, refuse to issue or renew a license in the name of any firm, partnership, or corporation if he is not satisfied that any officer, employe, stockholder, or partner thereof who may materially influence the applicant's conduct meets the standards of this subtitle.

Section 4. A new section of Subtitle 30 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) Upon the filing of an application and the payment of the license fee the commissioner shall make an investigation of each applicant and shall issue a license if the applicant is qualified in accordance with this subtitle. If the commissioner does not so find, he shall, within thirty days after he has received such application, at the request of the applicant, give the applicant a full hearing. Hearings under this subtitle may be held by the commissioner or any person duly appointed by the commis-

sioner. Any person acting as hearing officer on behalf of the commissioner shall submit his findings and recommendations for a decision by the commissioner.

(2) The commissioner shall issue or renew a license as may be applied for when he is satisfied that the person to be licensed:

(a) Is competent and trustworthy and intends to act in good faith in the capacity involved by the license applied for;

(b) Has a good business reputation and has had experience, training, or education so as to be qualified in the business for which the license is applied for; and

(c) If a corporation, is a corporation incorporated under the laws of this state or a foreign corporation authorized to transact business in this state.

Section 5. A new section of Subtitle 30 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) The commissioner may revoke or suspend the license of any premium finance company when and if, after investigation, it appears to the commissioner that:

(a) Any license issued to such company was obtained by fraud,

(b) There was any misrepresentation in the application for the license,

(c) The holder of such license has otherwise shown himself untrustworthy or incompetent to act as a premium finance company,

(d) Such company has violated any of the provisions of this Act, or

(e) Such company has been rebating part of the service charge as allowed and permitted herein to any insurance agent or any employe of an insurance agent or to any other person as an inducement to the financing of any insurance policy with the premium finance company.

(2) Before the commissioner shall revoke, suspend, or refuse to renew the license of any premium finance company, he shall give to such person an opportunity to be fully heard and to introduce evidence in his behalf. In lieu of revoking or

suspending the license for any of the causes enumerated in the section, after hearing as herein provided, the commissioner may subject such company to a penalty of not more than $1,000 for each offense when in his judgment he fnds that the public interest would not be harmed by the continued operation of such company. The amount of any such penalty shall be paid by such company through the office of the commissioner to the State Treasurer. At any hearing provided by this section, the commissioner shall have authority to administer oaths to witnesses.

(3) If the commissioner refuses to issue or renew any license or if any applicant or licensee is aggrieved by any action of the commissioner, said applicant or licensee shall have the right to a hearing and appeal to the Franklin Circuit Court, within thirty days after any order, decision or finding by the commissioner.

Section 6. A new section of Subtitle 30 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) Every licensee shall maintain records of its premium finance transactions and the said records shall be open to examination and investigation by the commissioner. The commissioner may at any time require any licensee to bring such records as he may direct to the commissioner's office for examination.

(2) Every licensee shall preserve its records of such premium finance transactions, including cards used in a card system, for at least three years after making the final entry in respect to any premium finance agreement. The preservation of records in photographic form shall constitute compliance with this requirement.

Section 7. A new section of Subtitle 30 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

The commissioner shall have the authority to make and enforce such reasonable rules and regulations as may be necessary to make effective the provisions of this subtitle and to establish the manner in which licensees shall conduct their business, but such rules and regulations shall not be contrary to nor inconsistent with the provisions of this subtitle.

Section 8. A new section of Subtitle 30 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) A premium finance agreement shall:

(a) Be dated, signed by or on behalf of the insured, and the printed portion thereof shall be in at least eight-point type;

(b) Contain the name and place of business of the insurance agent negotiating the related insurance contract, the name and residence or the place of business of the premium finance company to which payments are to be made, a description of the insurance contracts involved and the amount of the premium therefore; and

(c) Set forth the following items where applicable:

1. The total amount of the premium,

2. The amount of the down payment,

3. The principal balance (the difference between items 1. and 2.),

4. The amount of the service charge,

5. The balance payable by the insured (sum of items 3. and 4.), and

6. The number of installments required, the amount of each installment expressed in dollars, and the due date or period thereof.

(2) The items set out in subsection (1)(c) need not be stated in the sequence or order in which they appear, and additional items may be included to explain the computations made in determining the amount to be paid by the insured.

Section 9. A new section of Subtitle 30 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) A premium finance company shall not charge, contract for, receive, or collect a service charge other than as permitted by the subtitle.

(2) The service charge is to be computed on the balance of the premiums due (after subtracting the down payment made by the insured in accordance with the premium finance agreement) from the effective date of the insurance coverage, for which the premiums are being advanced, to and including the

date when the final installment of the premium finance agreement is payable.

(3) The service charge shall be a maximum of $8 per $100 per year plus an additional charge of $10 per premium finance contract which need not be refunded upon cancellation or prepayment.

Section 10. A new section of Subtitle 30 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

A premium finance agreement may provide for the payment by the insured of a delinquency charge of $1 to a maximum of 5 percent of the delinquent installment which is in default for a period of five days or more.

Section 11. A new section of Subtitle 30 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) When a premium finance agreement contains a power of attorney enabling the premium finance company to cancel any insurance contract or contracts listed in the agreement, the insurance contract or contracts shall not be cancelled by the premium finance company unless such cancellation is effectuated in accordance with this section.

(2) Not less than ten days' written notice shall be mailed to the insured of the intent of the premium finance company to cancel the insurance contract unless the default is cured within such ten-day period.

(3) After expiration of such ten-day period, the premium finance company may thereafter request in the name of the insured, cancellation of such insurance contract or contracts by mailing to the insurer a notice of cancellation, and the insurance contract shall be cancelled as if such notice of cancellation had been submitted by the insured himself, but without requiring the return of the insurance contract or contracts. The premium finance company shall also mail a notice of cancellation to the insured at his last known address.

(4) All statutory, regulatory, and contractual restrictions providing that the insurance contract may not be canceled unless notice is given to a governmental agency, mortgagee, or other third party shall apply where cancellation is effected under the

provisions of this section. The insurer shall give the prescribed notice in behalf of itself or the insured to any governmental agency, mortgagee, or other third party on or before the second business day after the day it receives the notice of cancellation from the premium finance company and shall determine the effective date of cancellation taking into consideration the number of days' notice required to complete the cancellation.

(5) Whenever an insurance contract is canceled in accordance with this section, the insurer shall return whatever gross unearned premiums are due under the insurance contract to the premium finance company effecting the cancellation for the account of the insured or insureds.

(6) In the event that the crediting of return premiums to the account of the insured results in a surplus over the amount due from the insured, the premium finance company shall refund such excess to the insured provided that no such refund shall be required if it amounts to less than $1.

Section 12. A new section of Subtitle 30 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

No filing of the premium finance agreement shall be necessary to perfect the validity of such agreement as a secured transaction as against creditors, subsequent purchasers, pledgees, encumbrances, successors or assigns.

SUBTITLE 31

Section 1. A new section of Subtitle 31 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

Any corporation already organized under the laws of this state and transacting the business of burial insurance on January 1, 1971, may continue the transaction of such business as provided by the laws of this state prior to the effective date of this code.

SUBTITLE 32

Section 1. A new section of Subtitle 32 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

This subtitle may be cited as the "nonprofit hospital, medical-surgical, dental and health service corporation law."

Section 2. A new section of Subtitle 32 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) It is the purpose of this subtitle to regulate in the public's interest the formation and operation of prepaid health care service organizations, in order that such services may be made available upon a basis of fair and equitable contracts through state licensed nonprofit organizations meeting reasonable standards as to administration, reserves and financial soundness.

(2) The provisions of this subtitle shall be liberally interpreted to effectuate the purpose hereinabove declared.

Section 3. A new section of Subtitle 32 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) Any nonprofit corporation organized under the laws of this state for the purpose of establishing, maintaining, and operating a nonprofit plan, whereby hospital care, medical-surgical care, dental care, and other health services are made available to persons who become subscribers to such plan or plans under a contract with the corporation, shall be subject to and be governed by the provisions of this subtitle, and shall be exempt from all other provisions of this code, except as herein expressly provided in Section 27 of Subtitle 32 of this Act, and no insurance law hereafter enacted shall be deemed to apply to such corporations unless they be specifically referred to therein.

(2) The provisions of this subtitle shall not apply to any employer's self-insured health plan or service established and maintained solely for its members and their immediate families, or to any self-insured health plan or service established, maintained, and insured jointly by any employer and any labor organization or organizations.

Section 4. A new section of Subtitle 32 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

KRS Chapter 273, as may from time to time be amended, except where inconsistent with the express provisions of this subtitle, shall govern the corporate powers, duties, and relationships of corporations incorporated under the provisions of this subtitle, but such act shall not apply to any corporation incor-

porated and formed under the laws of this state and in existence on the effective date of this subtitle.

Section 5. A new section of Subtitle 32 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) Whenever any number of persons shall associate to form a corporation for any of the purposes in Section 3 of Subtitle 32 of this Act, they shall submit proposed articles of incorporation in triplicate to the commissioner for examination. After being approved by the commissioner and the Attorney General, the articles shall be filed in the office of the Secretary of State, who shall issue a certificate of incorporation pursuant to the provisions of KRS Chapter 273.

(2) When not less than the amount required by Section 14 of Subtitle 32 of this Act is deposited with the commissioner, he shall cause an examination to be made either by himself or some disinterested person, especially appointed by him for the purpose, who shall certify that the corporation has complied with the provisions of this subtitle. The certificate shall be filed in the office of the commissioner, who shall issue a certificate of authority to the corporation.

(3) Whenever any such corporation shall desire to amend its articles of incorporation, it shall file its articles of amendment with the commissioner before filing them with the Secretary of State. When the commissioner shall find the articles of amendment to have been legally adopted, the articles of amendment shall be filed with the Secretary of State.

Section 6. A new section of Subtitle 32 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

In addition to the contents required or permitted by KRS Chapter 273, the articles of incorporation of any nonprofit hospital, medical-surgical, dental, and health service corporation shall comply with the following:

(1) The name of the corporation shall not include the words "insurance," "casualty," "surety," "mutual," or any other words descriptive of the insurance, casualty, or surety business. The corporate name of any corporation to be formed under this subtitle shall not be the same as, or deceptively similar to, the

name of any other corporation authorized to do business in this state; and,

(2) The statement of purposes shall be in conformity with the provisions of this subtitle.

Section 7. A new section of Subtitle 32 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

The property and lawful business of every corporation subject to the provisions of this subtitle shall be held and managed by a governing Board of Trustees or Directors with such powers and authority as shall be necessary or instrumental to the complete execution of purposes of each corporation as limited by its articles of incorporation and bylaws. The number of directors of such corporation shall not be less than ten, and subject to such limitation, the number of directors shall be fixed by the bylaws, except as to the number of the first Board of Directors, which shall be fixed by the articles of incorporation.

Section 8. A new section of Subtitle 32 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

Corporations subject to the provisions of this subtitle may enter into contracts for the rendering of hospital services, medical-surgical services, and other health services on behalf of any of their subscribers with hospitals maintained by the state, or by any of its political subdivisions, or maintained by a nonprofit corporation organized for hospital purposes, or with other corporations, associations, partnerships, or individuals furnishing hospital services, medical-surgical services, or other health services. Nothing contained in this subtitle shall require any corporation to contract or remain under contract with any individual, hospital, physician, or other purveyor of health services; nor shall any employe, agent, officer, director or trustee of any corporation influence or seek to influence any subscriber in the choice or selection of a contracting hospital or contracting physician, or any other contracting purveyor of health service.

Section 9. A new section of Subtitle 32 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

Corporation subject to the provisions of this subtitle doing business in this state on the effective date of this subtitle, or

which thereafter do business in this state, shall make and file annually with the commissioner, on or before the first day of March of each year, a statement under oath upon a form to be prescribed by the commissioner, stating the amount of all membership dues, or subscriber fees, collected in this state by the corporation during the year ending the last day of December next preceding; the amounts actually paid during such year for hospital, medical-surgical, dental and other health services for the subscribers or members of the corporation, and the amounts placed in established reserves for cases billed but not yet paid, unreported and unbilled cases, retroactive cost adjustments, and membership dues or fees paid in advance but not yet earned.

Section 10. A new section of Subtitle 32 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

There shall be paid to the commissioner by every corporation subject to the provisions of this subtitle, the following fees:

(1) For filing certified copy of articles of incorporation, $50;

(2) For filing an annual statement, $50;

(3) For a certificate of authority to transact business in this state, or renewal, $25;

(4) For filing each amendment for articles of incorporation, $10;

(5) For each agent's examination, $5;

(6) For each agent's qualification license or renewal, $5;

(7) For each agent's appointment certificate or renewal, $2;

(8) For each copy of any document or other paper filed in the office of the commissioner, per page, 25 cents;

(9) For comparing and proofreading a copy of any document or other paper submitted for certification with the original as filed in the office of the commissioner, per page, 25 cents;

(10) For affixing the seal of the commissioner and certifying any document or other page, $1; and

(11) For the cost of administering this subtitle, two cents

per membership contract in force and in effect on December 31 of each year.

Section 11. A new section of Subtitle 32 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

No corporation subject to the provisions of this subtitle shall transact any business in this state unless it shall first procure from the commissioner a certificate of authority stating that the requirements of the laws of this state have been complied with and authorizing it to do business. The certificate of authority shall expire on the last day of February of each year and shall be renewed annually if the corporation has continued to comply with the provisions of this subtitle.

Section 12. A new section of Subtitle 32 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

When the annual statement of a corporation subject to the provisions of this subtitle shall have been filed and all fees due from the corporation shall have been paid, the corporation's certificate of authority to do business in this state shall automatically be extended until such time as the commissioner refuses to relicense the corporation. When the fee involved in the renewal of an agent's license shall have been paid by the corporation, or the individual agent, the license shall automatically be extended until such time as the commissioner refuses to renew the license.

Section 13. A new section of Subtitle 32 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

The commissioner shall not issue or renew a certificate of authority to any corporation operating or proposing to operate a nonprofit hospital, medical-surgical, dental, or other health service plan unless:

(1) The subscription or membership certificates which the corporation offers to its subscribers or members, together with a schedule of the dues and fees to be paid by subscribers or members, or the formula for developing dues or fees, has been filed with the commissioner in accordance with the provisions of Section 16 of Subtitle 32 of this Act.

(2) The schedule of the dues and fees to be paid by subscribers or members is one which will enable the corporation

to meet the expenses of the hospital, medical-surgical, and other health services which are made available to its subscribers or members without impairing the guarantee fund required by Section 14 of Subtitle 32 of this Act, and one which will not result in an accumulation of excess reserves over and above reserves established for claims in process, unreported and unbilled claims, retroactive cost adjustment to the purveyors of hospital, medical-surgical, and other health services and membership dues or fees received in advance but not yet earned. So long as a corporation's unencumbered reserve or surplus over and above the required reserves specified in this section do not exceed a sum equal to one-half of the corporation's total membership dues or subscription fees received during the immediate preceding calendar year, the unencumbered reserve or surplus shall not be deemed an excessive accumulation for the purposes of this section.

Section 14. A new section of Subtitle 32 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) No corporation subject to provisions of this subtitle shall be permitted to do any business in this state unless, in addition to the other requirements of law, it shall have and maintain liquid reserves in an amount not less than 5 percent of the corporation's subscription income collected in the preceding year not exceeding $2,000,000, plus 2½ percent of income exceeding $2,000,000 but not exceeding $10,000,000, plus one percent of income exceeding $10,000,000; but, in no event, shall reserves be less than $50,000. All corporations subject to the provisions of this subtitle shall place on deposit with the Custodian of Insurance Securities a guarantee fund of cash or approved securities in an amount determined by this formula, but not less than $50,000 nor more than $150,000. Any amount of liquid reserves required by this subsection in excess of $150,000 shall be maintained by the corporation at all times, but shall not be required to be placed on deposit, provided that such a corporation shall be allowed a period of five years after the effective date of this subtitle to establish the liquid reserves and deposit the guarantee fund with the commissioner as required by Section 13 of Subtitle 32 of this Act.

(2) The cash or securities representing the guarantee fund required by this section shall be acceptable to the Custodian of

Insurance Securities and such securities shall be negotiable securities.

(3) The investments of a corporation subject to the provisions of this subtitle shall be the same kind of investments which life insurance companies are authorized to have.

Section 15. A new section of Subtitle 32 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

The benefits or services which a corporation subject to the provisions of this subtitle may contract to make available to its members or subscribers shall include all of the services made available by hospitals, or other licensed health care institutions, doctors of medicine, osteopathy, dentistry, podiatry, licensed optometrists, licensed psychologists, nursing services, appliances, drugs, medicine, ambulance service, and other health services or related items as the governing board of any corporation may approve; but no corporation subject to the provisions of this subtitle may offer to its members or subscribers any certificate or form which would provide for a cash payment or allowance for sickness, accident, disability, or death, other than payments of or toward the charges made by the purveyors of the health services covered by the certificates issued by the corporation; or for any form of casualty or life insurance unless the corporation shall first comply with the statutes of this state applicable to companies offering such forms of insurance. Nothing in this section shall prohibit a corporation from reimbursing its members or subscribers for payments made by them directly to the purveyors of health services covered by certificates for services which members or subscribers have received.

Section 16. A new section of Subtitle 32 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) On and after the effective date of this subtitle, no corporation subject to its provisions shall deliver or issue for delivery in this state any subscription certificate or membership certificate describing health benefits available, or any endorsement, rider, or application which becomes a part thereof, until a copy of the form and the schedule of rates, dues, fees, or other periodic charges, to be paid by subscribers or members, has been filed with and approved by the commissioner.

(2) At the expiration of fifteen days the form so filed shall be deemed approved unless prior thereto it has been affirmatively approved or disapproved by order of the commissioner. The commissioner may withdraw approval at any time for cause.

(3) The commissioner's order disapproving any form or withdrawing previous approval shall state the grounds for disapproval or withdrawal.

(4) The commissioner may, by order, exempt from the requirements of this section for so long as he deems proper, any document or form specified in the order, to which in his opinion this section may not practicably be applied, or the filing and approval of which are, in his opinion, not desirable or necessary for the protection of the public.

Section 17. A new section of Subtitle 32 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

Any corporation subject to the provisions of this subtitle may contract with any agency, instrumentality, or political subdivision of the United States, or of this state for making available hospital, medical-surgical, dental and other health care services, and in aid or furtherance of such contract may accept, receive, and administer in trust, funds directly or indirectly made available by any agency, instrumentality, or political subdivision. Any corporation may also subcontract with any organization which has contracted with any agency, instrumentality, or political subdivision of the United States, or of this state, for the furnishing of hospital, medical-surgical, dental, or other health services by which subcontract the corporation undertakes to furnish the services specified by the basic contract. Any corporation subject to the provisions of this subtitle may also enter into agreements or contracts with other similar organizations or corporations licensed to do business in this state or any other state for the transfer of subscribers or members, for the reciprocal or joint provision of benefits to the subscribers or members of the corporation and organizations or such other joint undertakings as the corporation's governing board may approve.

Section 18. A new section of Subtitle 32 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) "Agent" means any person authorized by a corporation

subject to the provisions of this subtitle and on its behalf to solicit applications for subscription or membership, or offers or assumes to act in the negotiation thereof. To qualify for an agent's license an applicant shall:

(a) be above the age of eighteen years;

(b) be a bona fide resident of and actually reside in this state;

(c) be a trustworthy person;

(d) be appointed as an agent by one or more corporations subject to the provisions of this subtitle.

(e) make application to the commissioner in the manner and form prescribed by him. As a part or in conection with any application, the applicant shall furnish information concerning his identity, personal history, experience, business record, purposes, and any other information the commissioner may reasonably require;

(f) pay the fee provided in Section 10 of Subtitle 32 of this Act; and

(g) take an examination given by the commissioner as a test of his qualifications and competence.

(2) Agents' licenses shall expire as of 12:01 a.m. on the first day of April next following date of issuance unless the license prior thereto has filed with the commissioner, on forms prescribed and furnished by him, a request for continuation of license for an ensuing twelve-month period. The request must be accompanied by payment of the renewal fee as provided in Section 10 of Subtitle 32 of this Act.

Section 19. A new section of Subtitle 32 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) Each corporation qualified under this subtitle appointing an agent shall notify the commissioner by filing written notice in duplicate with the commissioner on forms prescribed and furnished by him, and shall pay the fee as provided in Section 10 of Subtitle 32 of this Act. If the agent is then licensed, or as soon as licensed, the commissioner shall mail the appointment certificate to the corporation.

(2) Each appointment shall continue in force until:

(a) The commissioner notifies the corporation that the agent's license is terminated or revoked;

(b) The appointment is revoked by the corporation by written notice of revocation filed with the commissioner; or

(c) The corporation fails to renew the appointment as required by subsection (3).

(3) Each appointment shall expire as of 12:01 a.m. on the first day of June of the following calendar year unless prior thereto the corporation has filed with the commissioner its renewal of appointment for the ensuing twelve-month period and has paid the renewal fee as provided in Section 10 of Subtitle 32 of this Act.

Section 20. A new section of Subtitle 32 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

The commissioner may suspend, revoke, or refuse to renew any license issued under this subtitle, for any of the following causes:

(1) For any cause for which issuance of the license could have been refused had it then existed and been known to the commissioner;

(2) If the licensee wilfully violates or knowingly participates in the violation of any provision of this subtitle;

(3) If the licensee obtains or attempts to obtain a license through wilful misrepresentation or fraud, or fails to pass any examination required under this subtitle;

(4) If the licensee has, with intent to deceive, materially misrepresented the terms or effect of any insurance contract or membership contract, or has engaged or is about to engage in any fraudulent transaction;

(5) If the licensee has been guilty of misrepresenting or of rebating, as defined in Subtitle 12;

(6) If the licensee has been convicted, by final judgment, of a felony;

(7) If in the conduct of his affairs under the license, the licensee has shown himself to be, and is deemed by the commissioner to be, incompetent or untrustworthy;

(8) If the licensee exercises powers outside the scope of his license.

Section 21. A new section of Subtitle 32 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

The commissioner, or any person authorized by him, shall have power to examine the financial condition, affairs, and management of any corporation subject to the provisions of this subtitle. He shall have free access to all the books, papers, and documents relating to the business of the corporation, and may summon witnesses and administer oaths and affirmations in the examination of the directors, trustees, officers, agents, representatives, or employes of any corporation, or any other person in relation to its affairs, transactions, and conditions. The commissioner shall make an examination of each corporation subject to the provisions of this subtitle at least once every three years. Each corporation subject to the provisions of this subtitle may own and invest or have invested any of its funds in its principal office building not to exceed an amount which would reduce its surplus, exclusive of the investment, below $50,000, unless approved by the commissioner.

Section 22. A new section of Subtitle 32 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

Any examination, or any part of the examination of any corporation subject to the provisions of this subtitle, shall be made by the commissioner or by examiners designated by him and shall be at the expense of the corporation examined as provided in Subtitle 2.

Section 23. A new section of Subtitle 32 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) The commissioner shall not make public the results of any examination or investigation of any corporation found to be insolvent, or with its capital impaired, prior to suspending or revoking the authority of the corporation to do business in this state. If the commissioner determines, after examination, hearing,

or other evidence, that a corporation is in an unsound condition, or has failed to comply with the law, or with the provisions of this subtitle, or that its condition is, or its methods are, such as to render its operations hazardous to the public, or to its subscribers, or that its actual assets, exclusive of its capital, are less than its liabilities, or if its officers or agents refuse to submit to examination, or to perform any acts relative thereto, or refuse on behalf of the corporation to pay the examination charges, he shall suspend or revoke all certificates of authority granted to the corporation, and to its officers or agents, and shall cause notice to be published in accordance with KRS Ch. 424, and no solicitation of new business shall be done by it or its agents in this state, while such default or disability continues, nor until its authority to do business is restored. Before suspending or revoking the certificate of authority of any corporation, unless it is solvent or its capital impaired, the commissioner shall grant fifteen days in which to show cause why action should not be taken.

(2) A corporation whose certificate of authority has been suspended or revoked by the commissioner, may appeal, within thirty days to the circuit court of Franklin County. Upon filing of the appeal, the court shall cause the records and orders of the commissioner to be brought before it, and upon hearing the case de novo, shall by its final decree either affirm, reverse, or vacate the order of the commissioner.

(3) The court shall have the power to make an order suspending or staying the order of the commissioner suspending or revoking the license of a corporation pending the appeal; but the corporation appealing shall furnish a bond, with sureties, satisfactory to the court, in any amount the court determines to be just and proper, conditioned to pay to the state and to any and all persons any and all loss that may be sustained by reason of the stay or suspension of the commissioner's order. During the period allowed for taking appeal, the publication of notice of the revocation or suspension of license of the corporation as provided by this section shall not be made. If the order of the commissioner is stayed or suspended by order of the court, publication shall not be made until after the discharge of the stay of order or until the affirmation of the order of revocation or suspension.

(4) If, upon appeal, trial is by jury, the court shall submit the cause to the jury upon special interrogatories covering the matters in issue, and if the jury finds the corporation is insolvent because of obligations which exceed its assets, the court may enjoin it from further exercising corporate rights, privileges, or franchises in this state.

(5) (a) If there is a finding of insolvency, the commissioner shall have and exercise all of the powers and authorities set forth in Subtitle 33.

(b) If no charge of insolvency is made, or, if made, is not established by the verdict of the jury, but it shall be found by the verdict that the corporation has exceeded its corporate powers or failed to comply with any provision of this subtitle or has done or committed any act for which its license may be revoked or suspended under any provision of this subtitle, or has conducted its business unlawfully or fraudulently, the court may enjoin and restrain it from the commission of such further acts, and if the corporation fails to cease and desist within the time specified by the court, it may be perpetually enjoined from doing any further business in this state. Pending the trial if no bond is furnished as provided, upon motion of the Attorney General and upon notice to the corporation, the court may appoint one or more temporary receivers, grant an injunction restraining it and its officers from collecting any debt or demand, and from paying out or in any way transferring or delivering to any person any money, property, or effects, during the pendency of the proceeding except by direction of the court. An appeal shall lie to the Court of Appeals from the circuit court as in other cases; and it shall be the duty of the circuit court and of the Court of Appeals to advance the hearing of matters as far as justice and the business of the court permit.

Section 24. A new section of Subtitle 32 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

Any individual subscriber or member of a corporation subject to the provisions of this subtitle who believes himself to be aggrieved by any act or ommission of a corporation or its officers, trustees, directors, agents, or representatives, may file a statement in writing of his grievance in the office of the commissioner, and the commissioner in his discretion may make an investigation of

the grievance. Investigation by the commissioner shall not act as a bar to any suit in a court of competent jurisdiction instituted by any member or subscriber, or as a bar to any defense by the corporation.

Section 25. A new section of Subtitle 32 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

The commissioner may, after notice and hearing, promulgate reasonable rules and regulations not inconsistent with the provisions of this subtitle that he deems necessary for the proper administration of this subtitle.

Section 26. A new section of Subtitle 32 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

Nothing contained in this subtitle shall be construed to affect or apply to hosiptals, or other licensed health care institutions, nor to any individuals, partnerships, associations, or corporations which are the direct purveyors of health services; nor shall it be construed to limit in any way the rights of hospitals, or other licensed health care institutions or purveyors of health services to establish methods of payment directly with purchasers of their services; but the commissioner may require from any institution or purveyor of medical services information that will enable him to determine whether arrangements for payment of medical services are subject to the provisions of this subtitle.

Section 27. A new section of Subtitle 32 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

Nonprofit hospital, medical-surgical, dental and health service corporations are subject to the provisions of this subtitle, and to the following provisions of this code, to the extent applicable and not in conflict with the express provisions of this subtitle:

(a) Subtitle 1—Scope of Code;
(b) Subtitle 2—The Insurance Commissioner;
(c) Subtitle 7—Investments;
(d) Subtitle 8—Administration of Deposits;
(e) Subtitle 12—Trade Practices and Frauds;
(f) Subtitle 25—Continuity of Management; and
(g) Subtitle 33—Rehabilitation and Liquidation.

SUBTITLE 33

Section 1. A new section of Subtitle 33 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) Short Title. This subtitle may be cited as the "Insurers Rehabilitation and Liquidation Act."

(2) Construction. No limitation of powers. This subtitle shall not be interpreted to limit the powers granted the commissioner by other provisions of the law.

(3) Liberal construction. This subtitle shall be liberally construed to effect the purpose stated in subsection (4).

(4) Purpose. The purpose of this subtitle is the protection of the interests of insureds, creditors, and the public generally, with minimum interference with the normal prerogative of proprietors, through:

(a) Early detection of any potentially dangerous condition in an insurer, and prompt application of appropriate corrective measures, neither unduly harsh nor subject to the kind of publicity that would needlessly damage or destroy the insurer;

(b) Improved methods for rehabilitating insurers, by enlisting the advice and management expertise of the insurance industry;

(c) Enhanced efficiency and economy of liquidation, through clarification and specification of the law, to minimize legal uncertainty and litigation;

(d) Equitable apportionment of any unavoidable loss;

(e) Lessening the problems of interstate rehabilitation and liquidation by facilitating cooperation between states in the liquidation process, and by extension of the scope of personal jurisdiction over debtors of the insurer outside this state; and

(f) Regulation of the insurance business by the impact of the law relating to delinquency procedures and substantive rules on the entire insurance business.

Section 2. A new section of Subtitle 33 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

The proceedings authorized by this subtitle may be applied to:

(1) All insurers who are doing, or have done, an insurance business in this state, and against whom claims arising from that business may exist now or in the future;

(2) All insurers who purport to do an insurance business in this state;

(3) All insurers who have insureds resident in this state;

(4) All other persons organized or in the process of organizing with the intent to do an insurance business in this state;

(5) All fraternal benefit societies as defined in Subtitle 29; and

(6) All nonprofit hospital, medical-surgical, dental, and health service corporations, as defined in Subtitle 32.

Section 3. A new section of Subtitle 33 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

For the purposes of this subtitle:

(1) "Commissioner" means the commissioner of insurance of this state.

(2) "Receiver" means receiver, liquidator, rehabilitator or conservator, as the context requires.

(3) "Insurer" has the meaning defined in Subtitle 1. For purposes of this subtitle, all other persons included under subsection (2) shall be deemed to be insurers.

(4) "Delinquency proceeding" means any proceeding commenced against an insurer for the purpose of liquidating, rehabilitating, reorganizing or conserving such insurer, and any summary proceeding under Sections 11 to 13, inclusive, of Subtitle 33 of this Act.

(5) "State" has the meaning defined in Subtitle 1.

(6) "Foreign country" means territory not in any state.

(7) "Domiciliary state" means the state in which an insurer is incorporated or organized or, in the case of an alien insurer, the state in which the insurer has, at the commencement of delinquency proceedings, the largest amount of its assets held in trust and on deposit for the benefit of policyholders and creditors in the United States.

(8) "Ancillary state" means any state other than a domiciliary state.

(9) "Reciprocal state" means any state other than this state in which in substance and effect Sections 20 (1); 53 (1) and (3); 54; 56 to 59, inclusive; of Subtitle 33 of this Act, are in force, and in which provisions are in force requiring that the commissioner be the receiver of a delinquent insurer, and in which some provision exists for the avoidance of fraudulent conveyances and preferential transfers.

(10) "General assets" means all property, real, personal or otherwise, not specifically mortgaged, pledged, deposited or otherwise encumbered for the security or benefit of specified persons or limited classes of persons, and as to specifically encumbered property the term includes all such property or its proceeds in excess of the amount necessary to discharge the sums secured thereby. Assets held in trust and on deposit for the security or benefit of all policyholders or all policyholders and creditors, in more than a single state, shall be treated as general assets.

(11) "Preferred claim" means any claim with respect to which the law accords priority of payment from the general assets of the insurer.

(12) "Special deposit claim" means any claim secured by a deposit made pursuant to law for the security or benefit of one or more limited classes of persons, but not including any claim secured by general assets.

(13) "Secured claim" means any claim secured by mortgage, trust deed, pledge, deposit as security, escrow or otherwise, but not including special deposit claims or claims against general assets. The term also includes claims which have become liens upon specific assets by reason of judicial process, except where they have been invalidated.

(14) "Insolvency" means that the insurer is unable to pay its debts or meet its obligations as they mature or that its assets do not exceed its liabilities plus the greater of (i) any capital and surplus required by law to be constantly maintained, or (ii) its authorized and issued capital stock. For purposes of this subsection, "assets" includes one-half of the maximum total assess-

ment liability of the policyholders of the insurer, and "liabilities" includes reserves required by law. For policies issued on the basis of unlimited assessment liability, the maximum total liability, for purposes of determining solvency only, shall be deemed to be that amount that could be obtained if there were 100 percent collection of an assessment at the rate of ten mills.

(15) "Fair consideration" is given for property or an obligation:

(a) When in exchange for such property or obligation, as a fair equivalent therefor, and in good faith, property is conveyed or services are rendered or obligation is incurred or an antecedent debt is satisfied; or

(b) When such property or obligation is received in good faith to secure a present advance or antecedent debt in amount not disproportionately small as compared to the value of the property or obligation obtained.

(16) "Creditor" is a person having any claim, whether matured or unmatured, liquidated or unliquidated, secured or unsecured, absolute, fixed or contingent.

(17) "Transfer" includes the sale and every other method, direct or indirect, of disposing of or of parting with property or with an interest therein or with the possession thereof or of fixing a lien upon property or upon an interest therein, absolutely or conditionally, voluntarily or involuntarily, by or without judicial proceedings. The retention of a security title to property delivered to a debtor shall be deemed a transfer suffered by the debtor.

(18) "Doing business" has the meaning designated in Subtitle 1.

Section 4. A new section of Subtitle 33 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) Actions by commissioner. Except as provided in subsection (2), and subsection (1), of Section 23 of Subtitle 33 of this Act, no delinquency proceeding shall be commenced under this subtitle by anyone other than the commissioner and no court shall have jurisdiction to entertain, hear or determine any proceeding commenced by any other person.

(2) Action by judgment creditors:

(a) The judgment creditors of three or more unrelated judgments may commence proceedings under the conditions and in the manner prescribed in this subsection, by serving notice upon the commissioner and the insurer of intention to file a petition for liquidation under Section 19 or 52 of Subtitle 33 of this Act. Each of the judgments must:

1. Have been rendered against the insurer by a court in this state having jurisdiction over the subject matter and the insurer;

2. Have been entered more than sixty days before the service of notice;

3. Not have been paid in full;

4. Not be the subject of a valid contract between the insurer and any judgment creditor for payment of the judgment, unless the contract has been breached by the insurer; and

5. Not be a judgment on which an appeal or review is pending.

(b) If any one of the judgments in favor of a petitioning creditor remains unpaid for thirty days after service of the notice, and the commissioner has not then filed a petition for liquidation, the creditor may file in the name of the commissioner a verified petition for liquidation of the insurer under Sections 19 or 52 of Subtitle 33 of this Act alleging the conditions stated in this subsection. The commissioner shall be served and joined in the action.

(3) Exclusiveness of proceedings. No court of this state shall have jurisdiction to entertain, hear or determine any complaint praying for the dissolution, liquidation, rehabilitation, sequestration, conservation or receivership of any insurer, or praying for an injunction or restraining order or other relief preliminary to, incidental to or relating to such proceedings other than in accordance with this subtitle.

(4) Change of venue. Venue for proceedings arising under this subtitle shall be laid initially as specified in the sections providing for such proceedings. All other actions and proceedings initiated by the receiver may be commenced and tried where the

delinquency proceedings are then pending, or where venue would be laid by KRS Ch. 452 or other applicable law. All other actions and proceedings against the receiver shall be commenced and tried in the county where the delinquency proceedings are pending. At any time upon motion of any party, venue may be changed by order of the court or the presiding judge thereof to any other circuit court in this state, as the convenience of the parties and witnesses and the ends of justice may require. This subsection relates only to venue and is not jurisdictional.

(5) Personal jurisdiction, grounds for. In addition to other grounds for jurisdiction provided by the law of this state, a court of this state having jurisdiction of the subject matter has jurisdiction over a person served in an action brought by the receiver of a domestic insurer or an alien insurer domiciled in this state:

(a) If the person served is obligated to the insurer in any way as an incident to any agency or brokerage arrangement that may exist or has existed between the insurer and the agent or broker, in any action on or incident to the obligation;

(b) If the person served is a reinsurer who has at any time written a policy of reinsurance for an insurer against which a rehabilitation or liquidation order is in effect when the action is commenced, or is an agent or broker of or for the reinsurer, in any action on or incident to the reinsurance contract; or

(c) If the person served is or has been an officer, manager, trustee, organizer, promoter or person in a position of comparable authority or influence in an insurer against which a rehabilitation or liquidation order is in effect when the action is commenced, in any action resulting from the relationship with the insurer.

(6) Forum non conveniens. If the court on motion of any party finds that any action commenced under subsection (5) should as a matter of substantial justice be tried in a forum outside this state, the court may enter an order to stay further proceedings on the action in this state.

Section 5. A new section of Subtitle 33 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) Injunctions in this state. Any receiver appointed in

a proceeding under this subtitle may at any time apply for and any court of general jurisdiction in this state may grant such restraining orders, temporary and permanent injunctions, and other orders as are deemed necessary and proper to prevent:

(a) The transaction of further business;

(b) The transfer of property;

(c) Interference with the receiver or with the proceedings;

(d) Waste of the insurer's assets;

(e) Dissipation and transfer of bank accounts;

(f) The institution or further prosecution of any actions or proceedings;

(g) The obtaining of preferences, judgments, attachments, garnishments or liens against the insurer or its assets;

(h) The levying of execution against the insurer or its assets;

(i) The making of any sale or deed for nonpayment of taxes or assessments that would lessen the value of the assets of the insurer;

(j) The withholding from the receiver of books, accounts, documents or other records relating to the business of the insurer; or

(k) Any other threatened or contemplated action that might lessen the value of the insurer's assets or prejudice the rights of policyholders, creditors or shareholders, or the administration of the proceeding.

(2) Injunctions elsewhere. The receiver may apply to any court outside of this state for the relief described in subsection (1).

Section 6. A new section of Subtitle 33 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

In any proceeding under this subtitle, the court may award such costs and other expenses of litigation as justice requires, without regard to the limitations otherwise prescribed by law.

Section 7. A new section of Subtitle 33 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) Duty to cooperate. Any officer, manager, trustee or general agent of any insurer and any other person with executive authority over or in charge of any segment of the insurer's affairs shall cooperate with the commissioner in any delinquency proceeding. "To cooperate" includes, but is not limited to the following:

(a) To reply promptly in writing to any inquiry from the commissioner requesting such a reply; and

(b) To make available and deliver to the commissioner any books, accounts, documents or other records, or information or property of or pertaining to the insurer and in his possession, custody or control.

(2) Duty not to obstruct. No person shall obstruct or interfere with the commissioner in the conduct of any delinquency proceeding.

(3) Right to defend. This section shall not render it illegal to resist by legal proceedings the petition for liquidation or other delinquency proceedings, or other orders.

Section 8. A new section of Subtitle 33 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

In any proceeding under this subtitle the commissioner and his deputies shall be responsible on their official bonds for the faithful performance of their duties. If the court deems it desirable for the protection of the assets, it may at any time require an additional bond from the commissioner or his deputies.

Section 9. A new section of Subtitle 33 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) General report of proceedings. The commissioner shall include in his annual report:

(a) Formal proceedings. The names of the insurers proceeded against under Sections 14, 19, 23, 51, 52 and 54 of Subtitle 33 of this Act and such other facts as indicate in reasonable detail his formal proceedings under this subtitle; and

(b) Informal proceedings. Such facts as generally indicate the utilization and effectiveness of proceedings under Sections 11 and 12 of Subtitle 33 of this Act.
33.110 and 33.120.

(2) Special reports. (a) Causes of delinquency. The commissioner shall include in his annual report, not later than the second annual report following the initiation of any formal proceedings under this subtitle, a detailed analysis of the basic causes and the contributing factors making the initiation of formal proceedings necessary, and shall make recommendations for remedial legislation. For this purpose the commissioner may appoint a special assistant qualified in insurance, finance and accounting to conduct the study and prepare the analysis, and may determine his compensation.

(b) Final study. The commissioner shall include in his annual report, not later than the second annual report following discharge of the receiver, a detailed study of the delinquency proceeding for each insurer subjected to a formal proceeding, with an analysis of the problems faced and their solutions. He shall also suggest alternative solutions, as well as other material of interest, for the purpose of assisting and guiding liquidators or rehabilitators in the future. For this purpose the commissioner may appoint a special assistant qualified to conduct the study and prepare the analysis, and may determine his compensation.

(3) Reports on insurers subject to proceedings. The commissioner as receiver shall make and file annual reports and any other required reports for the companies proceeded against under Sections 14, 19, 23, 51, 52 and 54 of Subtitle 33 of this Act in the manner and form and within the time required by law of insurers authorized to do business in this state, and under the same penalties for failure to do so.

Section 10. A new section of Subtitle 33 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

Every proceeding commenced before the effective date of this subtitle is deemed to have commenced under this subtitle for the purpose of conducting the proceeding thereafter, except that in the discretion of the commissioner the proceeding may be continued, in whole or in part, as it would have been continued had this subtitle not been enacted.

Section 11. A new section of Subtitle 33 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) Summary order after hearing. Whenever the commissioner has reasonable cause to believe, and determines, after a

hearing held as prescribed in subsection (2), that any insurer has committed or engaged in, or is committing or engaging in or is about to commit or engage in any act, practice or transaction that would subject it to formal delinquency proceedings under this subtitle, he may make and serve upon the insurer and any other persons involved, such orders other than seizure orders under Section 12 of Subtitle 33 of this Act as are reasonably necessary to correct, eliminate or remedy such conduct, condition or ground. If the order is for a restoration of or addition to capital, it shall be carried out as provided in Section 35 of Subtitle 24 of this Act.

(2) Summary order before hearing. If the conditions of subsection (1) are satisfied, and if it appears to the commissioner that irreparable harm to the property or business of the insurer or to the interests of its policyholders or creditors may occur unless he issues with immediate effect the orders described in subsection (1), he may make and serve such orders without notice and before hearing, simultaneously serving upon the insurer notice of hearing under subsection (3).

(3) Service, notice, hearing. The notice of hearing under subsections (1) or (2) and the summary order issued under subsections (1) or (2) shall be served by delivery or by mailing registered mail and postage prepaid, addressed to the insurer at its principal place of business. The notice of hearing under subsection (1) shall state the time and place of hearing, and the conduct, condition or ground upon which the commissioner would base his order; the notice of hearing under subsection (2) shall state the time and place of hearing. Unless mutually agreed between the commissioner and the insurer, the hearing shall occur not less than ten days nor more than thirty days after notice is served and shall be either in Franklin County or in some other place convenient to the parties to be designated by the commissioner.

(4) Judicial relief. If th ecommissioner issues a summary order before hearing under subsection (2), the insurer may at any time waive the commissioner's hearing and apply for immediate judicial relief by means of any remedy afforded by law without first exhausting administrative remedies. Subsequent to a hearing the insurer or any person whose interests are sub-

stantially affected shall be entitled to judicial review of any order issued by the commissioner.

(5) Enforcement by injunction. The commissioner may apply for and any court of general jurisdiction may grant, such restraining orders, temporary and permanent injunctions and other orders as are deemed necessary to enforce a summary order.

Section 12. A new section of Subtitle 33 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) Issuance. Upon the filing by the commissioner in any circuit court in this state of a verified petition alleging any ground that would justify a court order for a formal delinquency proceeding against an insurer under this subtitle and that the interests of policyholders or creditors will be endangered by delay, and setting out the order deemed necessary by the commissioner, the court may issue forthwith, ex parte and without a hearing, the requested order which may (a) direct the commissioner to take possession and control of all or a part of the property, books, accounts, documents and other records of an insurer and of the premises occupied by it for the transaction of its business, and (b) until further order of the court, enjoin the insurer and its officers, managers, agents, and employes from disposition of its property and from transaction of its business except with the written consent of the commissioner.

(2) Duration. The court shall specify in the order what its duration shall be, which shall be such time as the court deems necessary for the commissioner to ascertain the condition of the insurer. On motion of either party or on its own motion, the court may hold such hearings as it deems desirable after such notice as it deems appropriate, and may extend, shorten or modify the terms of the seizure order. The court shall vacate the seizure order if the commissioner fails to commence a formal proceeding under this subtitle after having had a reasonable opportunity to do so. The issuance of an order of the court pursuant to a formal proceeding under this subtitle vacates the seizure order.

(3) Anticipatory breach. Entry of a seizure order under this section shall not constitute an anticipatory breach of any contract of the insurer.

Section 13. A new section of Subtitle 33 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) Confidentiality of commissioner's hearings. The commissioner shall hold all hearings in summary proceedings privately unless the insurer requests a public hearing, in which case the hearing shall be public.

(2) Confidentiality of court hearings. The court may hold all hearings in summary proceedings and judicial reviews thereof privately in chambers, and shall do so on request of the insurer proceeded against.

(3) Records. In all summary proceedings and judicial reviews thereof, all records of the company, other documents, and all insurance department files and court records and papers, so far as they pertain to or are a part of the record of the summary proceedings, shall be and remain confidential except as is necessary to obtain compliance therewith, unless the court, after hearing arguments from the parties in chambers, shall order otherwise, or unless the insurer requests that the matter be made public. Until such court order, all papers filed with the clerk of the court shall be held by him in a confidential file.

(4) Parties. If at any time it appears to the court that any person whose interest is or will be substantially affected by an order did not appear at the hearing and has not been served, the court may order that notice be given and the proceedings be adjourned to give him opportunity to appear on such terms as may be just.

Section 14. A new section of Subtitle 33 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

The commissioner may apply by verified petition to the circuit court for Franklin County or for the county in which the principal office of the insurer is located for an order directing him to rehabilitate a domestic insurer or an alien insurer domiciled in this state on any one or more of the following grounds:

(1) Any ground on which he may apply for an order of liquidation under Section 19 of Subtitle 33 of this Act, whenever he believes that the insurer may be successfully rehabilitated without substantial increase in the risk of loss to creditors of the insurer or to the public.

(2) That the commissioner has reasonable cause to believe that there has been embezzlement from the insurer, wrongful sequestration or diversion of the insurer's assets, forgery or fraud affecting the insurer or other illegal conduct in, by or with respect to the insurer, that if established would endanger assets in an amount threatening the solvency of the insurer.

(3) That any one of the following circumstances has occurred and the commissioner has reasonable cause to believe that the insurer is insolvent or that assets are endangered in an amount threatening the solvency of the insurer:

(a) That information coming into the commissioner's possession has disclosed substantial and not adequately explained discrepancies between the insurer's records and the most recent annual report or other official company reports;

(b) That the insurer has failed to remove any person who in fact has executive authority in the insurer, whether an officer, manager, general agent, employe or other person, if the person has been found by the commissioner after notice and hearing to be dishonest or untrustworthy in a way affecting the insurer's business;

(c) That control of the insurer, whether by stock ownership or otherwise, and whether direct or indirect, is in one or more persons found by the commissioner after notice and hearing to be dishonest or untrustworthy;

(d) That any person who in fact has executive authority in the insurer, whether an officer, manager, general agent, employe or other person, has refused to be examined under oath by the commissioner concerning its affairs, whether in this state or elsewhere, and after reasonable notice of the fact the insurer has failed promptly and effectively to terminate the employment and status of the person and all his influence on management;

(e) That the insurer has refused to submit its books, accounts, documents or other records to the reasonable examination or inspection of the commissioner or his authorized representative.

(4) That the insurer is or is about to become insolvent.

(5) That the insurer is engaging in a systematic practice of reaching settlements with and obtaining releases from policy-

holders or third party claimants and then unreasonably delaying payment of or failing to pay the agreed upon settlements.

(6) That the insurer is in such condition that the further transaction of business would be hazardous, financially or otherwise, to its policyholders, its creditors or the public.

(7) That within the previous twelve months the insurer has systematically attempted to compromise with its creditors on the ground that it is financially unable to pay its claims in full.

(8) That without first obtaining the written consent of the commissioner, the insurer has transferred, or attempted to transfer, substantially its entire property or business, or has entered into any transaction the effect of which is to merge, consolidate or reinsure substantially its entire property or business in or with the property or business of any other person.

(9) That the insurer or its property has been or is the subject of an application for the appointment of a receiver, trustee, custodian, conservator or sequestrator or similar fiduciary of the insurer or its property otherwise than as authorized under this subtitle, and that such appointment has been made or is imminent, and that such appointment might oust the courts of this state of jurisdiction or prejudice orderly delinquency proceedings under this subtitle.

(10) That within the previous year the insurer has wilfully violated its charter or articles of incorporation or any insurance law or regulation of this state, or having become aware within the previous year of an unintentional violation has failed to take all reasonable steps to remedy the situation resulting from the violation and to prevent future violations.

(11) That the directors of the insurer are deadlocked in the management of the insurer's affairs and that the members or shareholders are unable to break the deadlock and that irreparable injury to the insurer, its creditors or its policyholders is threatened by reason thereof.

(12) That the insurer has failed to file its annual report or other report within the time allowed by law, and after written demand by the commissioner has failed to give an adequate explanation immediately.

(13) That two-thirds of the board of directors, or the holders of a majority of the shares entitled to vote, or a majority of members or policyholders of an insurer subject to control by its members or policyholders, consent to rehabilitation under this subtitle.

Section 15. A new section of Subtitle 33 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) Appointment of rehabilitator. An order to rehabilitate the business of a domestic insurer, or an alien insurer domiciled in this state, shall appoint the commissioner and his successors in office rehabilitator and shall direct the rehabilitator forthwith to take possession of the assets of the insurer and to administer them under the orders of the court. The filing or recording of the order with any county court clerk in the state imparts the same notice as a deed, bill of sale or other evidence of title duly filed or recorded with that county court clerk.

(2) Anticipatory breach. Entry of an order of rehabilitation shall not constitute an anticipatory breach of any contracts of the insurer.

Section 16. A new section of Subtitle 33 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) Special deputy commissioner. The commissioner shall make every reasonable effort to employ an active or retired senior executive from a successful insurer to serve as special deputy commissioner to rehabilitate the insurer. The special deputy shall have all of the powers of the rehabilitator granted under this section. To obtain a suitable special deputy, the commissioner may consult with and obtain the assistance and advice of executives of insurers doing business in this state. Subject to court approval, the commissioner shall make such arrangements for compensation as are necessary to obtain a special deputy of proven ability. The special deputy shall serve at the pleasure of the commissioner.

(2) General power. Subject to court approval, the rehabilitator may take such action as he deems necessary or expedient to reform and revitalize the insurer. He shall have all the powers of the officers and managers, whose authority shall be suspended, except as they are redelegated by the rehabilitator.

He shall have full power to direct and manage, to hire and discharge employes subject to any contract rights they may have, and to deal with the property and business of the insurer.

(3) Advice from experts. The rehabilitator may consult with and obtain formal or informal advice and aid of insurance experts.

(4) Pursuit of insurer's claims against insiders. If the rehabilitator finds that there has been criminal or tortious conduct or breach of any contractual or fiduciary obligation detrimental to the insurer by any officer, manager, agent, employe or other person, he may pursue all appropriate legal remedies on behalf of the insurer.

(5) Reorganization plan. The rehabilitator may prepare a plan for the reorganization, consolidation, conversion, reinsurance, merger or other transformation of the insurer. Upon application of the rehabilitator for approval of the plan, and after such notice and hearing as the court prescribes, the court may either approve or disapprove the plan proposed, or may modify it and approve it as modified. If it is approved, the rehabilitator shall carry out the plan. In the case of a life insurer, the plan proposed may include the imposition of liens upon the equities of policyholders of the insurer, if all rights of shareholders are first extinguished. A plan for a life insurer may also propose imposition of a moratorium upon loan and cash surrender rights upon policies, for such period and to such an extent as are necessary.

(6) Fraudulent transfers. The rehabilitator shall have the power to avoid fraudulent transfers under Sections 29 and 30 of Subtitle 33 of this Act.

Section 17. A new section of Subtitle 33 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) Stays in pending litigation. On request of the rehabilitator, any court in this state before which any action or proceeding by or against an insurer is pending when a rehabilitation order against the insurer is entered shall stay the action or proceeding for such time as is necessary for the rehabilitator to obtain proper representation and prepare for further proceedings. The court that entered the rehabilitation order shall order

the rehabilitator to take such action respecting the pending litigation as the court deems necessary in the interests of justice and for the protection of creditors and policyholders. The rehabilitator shall immediately consider all litigation pending outside this state and shall petition the courts having jurisdiction over that litigation for stays whenever necessary to protect the estate of the insurer.

(2) Statutes of limitations on claims by insurer. The time between the filing of a petition for rehabilitation against an insurer and denial of the petition or an order of rehabilitation shall not be considered to be a part of the time within which any action may be commenced by the insurer. Any action by the insurer that might have been commenced when the petition was filed may be commenced for at least sixty days after the order of rehabilitation is entered.

(3) Statutes of limitations on claims against insurer. The time between the filing of a petition for rehabilitation against an insurer and the denial of the petition or an order of rehabilitation shall not be considered to be a part of the time within which any action may be commenced against the insurer. Any action against the insurer that might have been commenced when the petition was filed may be commenced for at least sixty days after the order of rehabilitation is entered or the petition is denied.

Section 18. A new section of Subtitle 33 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) Transformation to liquidation. Whenever he believes that further attempts to rehabilitate an insurer would substantially increase the risk of loss to creditors or policyholders, or would be futile, the rehabilitator may petition the court for an order of liquidation. A petition under this subsection shall have the same effect as a petition under Section 19 of Subtitle 33 of this Act. The court shall permit the directors to defend against the petition and shall order payment from the estate of the insurer of such costs and other expenses of defense as justice requires.

(2) Order to return to insurer. The rehabilitator may at any time petition the court for an order terminating rehabilitation of an insurer. If the court finds that rehabilitation has been

accomplished and that grounds for rehabilitation under Section 14 of Subtitle 33 of this Act no longer exists, it shall order that the insurer be restored to possession of its property and the control of its business. The court may also make that finding and issue that order at any time upon its own motion.

Section 19. A new section of Subtitle 33 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

The commissioner may apply by petition to the circuit court for Franklin County or for the county in which the principal office of the insurer is located for an order directing him to liquidate a domestic insurer or an alien insurer domiciled in this state on any one or more of the following grounds:

(1) Any ground on which he may apply for an order of rehabilitation under Section 14 of Subtitle 33 of this Act, whenever he believes that attempts to rehabilitate the insurer would substantially increase the risk of loss to its creditors, its policyholders or the public, or would be futile, or that rehabilitators would serve no useful purpose;

(2) That the insurer has commenced, or within the previous year has attempted to commence, voluntary liquidation otherwise than under the insurance laws of this state;

(3) That the holders of two-thirds of the shares entitled to vote, or two-thirds of the members or policyholders entitled to vote in an insurer controlled by its members or policyholders, have consented to a petition.

Section 20. A new section of Subtitle 33 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) Order to liquidate. An order to liquidate the business of a domestic insurer shall appoint the commissioner and his successors in office liquidator and shall direct the liquidator forthwith to take possession of the assets of the insurer and to administer them under the orders of the court. The liquidator shall be vested by operation of law with the title to all of the property, contracts and rights of action and all of the books and records of the insurer ordered liquidated, wherever located, as of the date of the filing of the petition for liquidation. He may recover and reduce the same to possession except that ancillary

receivers in reciprocal states shall have, as to assets located in their respective states, the rights and powers which are prescribed in subsection (3) of Section 54 of Subtitle 33 of this Act for ancillary receivers appointed in this state as to assets located in this state. The filing or recording of the order with any county court clerk in this state imparts the same notice as a deed, bill of sale or other evidence of title duly filed or recorded with that county court clerk.

(2) Fixing of rights. Upon issuance of the order, the rights and liabilities of any such insurer and of its creditors, policyholders, shareholders, members and all other persons interested in its estate are fixed as of the date of filing of the petition for liquidation, except as provided in Sections 21 and 38 of Subtitle 33 of this Act.

(3) Alien insurer. An order to liquidate the business of an alien insurer domiciled in this state shall be in the same terms and have the same legal effect as an order to liquidate a domestic insurer, except that the assets and the business in the United States shall be the only assets and business included under the order.

(4) Declaration of insolvency. At the time of petitioning for an order of liquidation, or at any time thereafter, the commissioner may petition the court to declare the insurer insolvent, and after such notice and hearing as it deems proper, the court may make the declaration.

Section 21. A new section of Subtitle 33 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) All insurance policies issued by the insurer shall continue in force:

(a) For a period of fifteen days from the date of entry of the liquidation order;

(b) Until the normal expiration of the policy coverage;

(c) Until the insured has replaced the insurance coverage with equivalent insurance in another insurer; or

(d) Until the liquidator has effected a transfer of the policy obligation pursuant to subsection (8) of Section 24 of Subtitle 33 of this Act, whichever time is less.

(2) If the coverage continued under this section is replaced by insurance that is not equivalent, the coverage continued under this section shall be excess coverage over the replacement policy to the extent of the deficiency. Claims arising during the continuation of coverage shall be treated as if they arose immediately before the petition for liquidation. Coverage under this subsection shall not satisfy any legal obligation of the insured to carry insurance protection, whether the obligation is created by law or by contract.

Section 22. A new section of Subtitle 33 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

The commissioner may petition for an order dissolving the corporate existence of a domestic insurer or the United States branch of an alien insurer domiciled in this state at the time he applies for a liquidation order. If the court issues a liquidation order, it also shall order dissolution if the commissioner has petitioned for it. The court shall order dissolution of the corporation upon petition by the commissioner at any time after a liquidation order has been granted. If the dissolution has not previously occurred, it shall be effected by operation of law upon the discharge of the liquidator.

Section 23. A new section of Subtitle 33 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) Petition for federal receiver. Whenever in the commissioner's opinion, liquidation of a domestic insurer or an alien insurer domiciled in this state would be facilitated by a federal receivership, and when any ground exists upon which the commissioner might petition the court for an order of rehabilitation or liquidation under Section 14 or 19 of Subtitle 33 of this Act, or if an order of rehabilitation or liquidation has already been entered, the commissioner may request another commissioner or other willing resident of another state to petition any appropriate federal district court for the appointment of a federal receiver. The commissioner may intervene in any such action to support or oppose the petition, and may accept appointment as the receiver if he is so designated. So much of this subtitle shall apply to the receivership as can be made applicable and is appropriate. Upon motion of the commissioner, the courts of this state shall

relinquish all jurisdiction over the insurer for purposes of rehabilitation or liquidation.

(2) Compliance with federal requirements. If the commissioner is appointed receiver under this section, he shall comply with any requirements necessary to give him title to and control over the assets and affairs of the insurer.

Section 24. A new section of Subtitle 33 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

The liquidator shall report to the court monthly, or at other intervals specified by the court, on the progress of the liquidation in whatever detail the court orders. Subject to the court's control, he may:

(1) Appoint a special deputy to act for him under this subtitle, and determine his compensation. The special deputy shall have all powers of the liquidator granted by this section. The special deputy shall serve at the pleasure of the liquidator.

(2) Appoint or engage employes and agents, legal counsel, actuaries, accountants, appraisers, consultants, and other personnel he deems necessary to assist in the liquidation.

(3) Fix the compensation of persons under subsection (2), subject to the control of the court.

(4) Defray all expenses of taking possession of, conserving, conducting, liquidating, disposing of or otherwise dealing with the business and property of the insurer. If the property of the insurer does not contain sufficient cash or liquid assets to defray the costs incurred, the liquidator may advance the costs so incurred out of any available appropriation. Any amounts so paid shall be deemed expense of administration and shall be repaid for the credit of the insurance department out of the first available moneys of the insurer.

(5) Hold hearings, subpoena witnesses and compel their attendance, administer oaths, examine any person under oath and compel any person to subscribe to his testimony after it has been correctly reduced to writing, and in connection therewith require the production of any books, papers, record or other documents which he deems relevant to the inquiry.

(6) Collect all debts and moneys due and claims belonging to the insurer, wherever located, and for this purpose institute timely action in other jurisdictions, in order to forestall garnishment and attachment proceedings against such debts; do such other acts as are necessary or expedient to collect, conserve or protect its assets or property, including sell, compound, compromise or assign for purposes of collection, upon such terms and conditions as he deems best, any bad or doubtful debts; and pursue any creditor's remedies available to enforce his claims.

(7) Conduct public and private sales of the property of the insurer in a manner prescribed by the court.

(8) Use assets of the estate to transfer policy obligations to a solvent assuming insurer, if the transfer can be arranged without prejudice to applicable priorities under Section 43 of Subtitle 33 of this Act.

(9) Acquire, hypothecate, encumber, lease, improve, sell, transfer, abandon, or otherwise dispose of or deal with any property of the insurer at its market value or upon such terms and conditions as are fair and reasonable, except that no transaction involving property the market value of which exceeds $10,000 shall be concluded without express permission of the court. He also may execute, acknowledge and deliver any deeds, assignments, releases and other instruments necessary or proper to effectuate any sale of property or other transaction in connection with the liquidation. In cases where real property sold by the liquidator is located other than in the county where the liquidation is pending, the liquidator shall cause to be filed with the county court clerk for the county in which the property is located a certificate copy of the order appointing him.

(10) Borrow money on the security of the insurer's assets or without security and execute and deliver all documents necessary to that transaction for the purpose of facilitating the liquidation.

(11) Enter into such contracts as are necessary to carry out the order to liquidate, and affirm or disavow any contracts to which the insurer is a party.

(12) Continue to prosecute and institute in the name of the insurer or in his own name any suits and other legal pro-

ceedings, in this state or elsewhere, and abandon the prosecution of claims he deems unprofitable to pursue further. If the insurer is dissolved under Section 22 of Subtitle 33 of this Act, he may apply to any court in this state or elsewhere for leave to substitute himself for the insurer as plaintiff.

(13) Prosecute any action which may exist in behalf of the creditors, members, policyholders or shareholders of the insurer against any officer of the insurer, or any other person.

(14) Remove any records and property of the insurer to the offices of the commissioner or to such other place as is convenient for the purposes of efficient and orderly execution of the liquidation.

(15) Deposit in one or more banks in this state such sums as are required for meeting current administration expenses and dividend distributions.

(16) File any necessary documents for record in the office of any county court clerk or record office in this state or elsewhere where property of the insurer is located.

(17) Assert all defenses available to the insurer as against third persons, including statutes of limitations, statutes of frauds and the defense of usury. A waiver of any defense by the insurer after a petition for liquidation has been filed shall not bind the liquidator.

(18) Exercise and enforce all the rights, remedies and powers of any creditor, shareholder, policyholder or member, including any power to avoid any transfer or lien that may be given by law and that is not included within Sections 29 to 31, inclusive, of Subtitle 33 of this Act.

(19) Intervene in any proceeding wherever instituted that might lead to the appointment of a receiver or trustee, and act as the receiver or trustee whenever the appointment is offered.

(20) Enter into agreements with any receiver or commissioner of any other state relating to the rehabilitation, liquidation, conservation or dissolution of an insurer doing business in both states.

(21) Exercise all powers now held or hereafter conferred upon receivers by the laws of this state not inconsistent with this subtitle.

(22) The enumeration in this section of the powers and authority of the liquidator is not a limitation upon him, nor does it exclude his right to do such other acts not herein specifically enumerated or otherwise provided for as are necessary or expedient for the accomplishment of or in aid of the purpose of liquidation.

Section 25. A new section of Subtitle 33 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) Notice required. (a) General requirements. The liquidator shall give notice of the liquidation order as soon as possible by first class mail and either by telegram or telephone to the insurance commissioner of each jurisdiction in which the insurer is licensed to do business, by first class mail and by telephone to the Department of Labor of this state if the insurer is or has been an insurer of workmen's compensation, by first class mail within this state and by airmail outside this state to all insurance agents having a duty under Section 26 of Subtitle 33 of this Act, and by first class mail within this state and by airmail outside this state at the last known address to all persons known or reasonably expected to have claims against the insurer, including all policyholders. He also shall publish a notice, under KRS Ch. 424, in a newspaper of general circulation in the county in which the liquidation is pending and in Franklin County, the last publication to be not less than three months before the earliest deadline specified in the notice under subsection (2).

(b) Special requirements. Notice to agents shall inform them of their duties under Section 26 of Subtitle 33 of this Act and inform them what information they must communicate to insureds. Notice to policyholders shall include notice of impairment and termination of coverage under Section 21 of Subtitle 33 of this Act. When it is applicable, notice to policyholders shall include (1) notice of withdrawal of the insurer from the defense of any case in which the insured is interested, (2) notice of the right to file a claim under subsection (2) of Section 39 of Subtitle 33 of this Act.

(c) Reports and further notice. Within fifteen days of the date of entry of the order, the liquidator shall report to the court what notice has been given. The court may order such additional notice as it deems appropriate.

(2) Notice respecting claims filing. Notice to potential claimants under subsection (1) shall require claimants to file with the court their claims together with proper proofs thereof under Section 37 of Subtitle 33 of this Act, on or before a date the liquidator specifies in the notice, which shall be not less than six months nor more than one year after entry of the order, except that the liquidator need not require persons claiming unearned premium and persons claiming cash surrender values or other investment values in life insurance and annuities to file a claim. The liquidator may specify different dates for the filing of different kinds of claims.

(3) Notice conclusive. If notice is given in accordance with this section, the distribution of the assets of the insurer under this subtitle shall be conclusive with respect to all claimants, whether or not they received notice.

Section 26. A new section of Subtitle 33 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) Written notice. Every person who receives notice in the form prescribed in Section 25 of Subtitle 33 of this Act that an insurer which he represents as an independent agent is the subject of a liquidation order shall as soon as practicable give notice of the liquidation order. The notice shall be sent by first class mail to the last address contained in the agent's records to each policyholder or other person named in any policy issued through the agent by the company, if he has a record of the address of the policyholder or other person. A policy shall be deemed issued through an agent if the agent has a property interest in the expiration of the policy; or if the agent has had in his possession a copy of the declarations of the policy at any time during the life of the policy, except where the ownership of the expiration of the policy has been transferred to another. The written notice shall include the name and address of the insurer, the name and address of the agent, identification of the policy impaired and the nature of the impairment under Section 21 of Subtitle 33 of this Act. Notice by a general agent satisfies the notice requirement for any agents under contract to him.

(2) Oral notice. So far as practicable, every insurance agent subject to subsection (1) shall give immediate oral notice,

by telephone or otherwise, of the liquidation order to the same persons to whom he is obligated to give written notice. The oral notice shall include substantially the same information as the written notice.

Section 27. A new section of Subtitle 33 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) Termination of actions against insurer by order appointing liquidator. Upon issuance of any order appointing the commissioner liquidator of a domestic insurer or of an alien insurer domiciled in this state, all actions and all proceedings against the insurer whether in this state or elsewhere shall be abated and the liquidator shall not intervene in them, except as provided in this subsection. Whenever in the liquidator's judgment an action in this state has proceeded to a point where fairness or convenience would be served by its continuation to judgment, he may apply to the court for leave to defend or to be substituted for the insurer, and if the court gives him leave, the action shall not be abated. Whenever in the liquidator's judgment, protection of the estate of the insurer necessitates intervention in an action against the insurer that is pending outside this state, with approval of the court he may intervene in the action. The liquidator may defend any action in which he intervenes under this section at the expense of the estate of the insurer.

(2) Statute of limitations on claims by insurer. The liquidator may, within two years subsequent to the entry of an order for liquidation or within such further time as applicable law permits, institute an action or proceeding on behalf of the estate of the insurer upon any cause of action against which the period of limitation fixed by applicable law has not expired at the time of the filing of the petition upon which such order is entered. Where, by any agreement, a period of limitation is fixed for instituting a suit or proceeding upon any claim or for filing any claim, proof of claim, proof of loss, demand, notice or the like, or where in any proceeding, judicial or otherwise, a period of limitation is fixed, either in the proceeding or by applicable law, for taking any action, filing any claim or pleading or doing any act, and where in any such case the period had not expired at the date of the filing of the petition, the liquidator may, for the

benefit of the estate, take any such action or do any such act, required of or permitted to the insurer, within a period of sixty days subsequent to the entry of an order for liquidation, or within such further period as is permitted by the agreement, or in the proceeding or by applicable law, or within such further period as is shown to the satisfaction of the court not to be unfairly prejudicial to the other party.

(3) Statutes of limitations on claims against insurer. The time between the filing of a petition for liquidation against an insurer and the denial of the petition shall not be considered to be a part of the time within which any action may be commenced against the insurer. Any action against the insurer that might have been commenced when the petition was filed may be commenced for at least sixty days after the petition is denied.

Section 28. A new section of Subtitle 33 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) List of assets required. As soon as practicable after the liquidation order, the liquidator shall prepare in duplicate a list of the insurer's assets. The list shall be amended or supplemented as the court requires. One copy shall be filed in the office of the clerk of the court having jurisdiction over the liquidation proceedings and one copy shall be retained for the liquidator's files. All amendments and supplements shall be similarly filed.

(2) Liquidation of assets. The liquidator shall reduce the assets to a degree of liquidity that is consistent with the effective execution of the liquidation as rapidly and economically as he can.

Section 29. A new section of Subtitle 33 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) Definition and effect. Every transfer made or suffered and every obligation incurred by an insurer within one year prior to the filing of a successful petition for rehabilitation or liquidation under this subtitle is fraudulent as to then existing and future creditors if made or incurred without fair consideration, or with actual intent to hinder, delay or defraud either existing or future creditors. A transfer made or an obligation incurred by an insurer ordered to be rehabilitated or liquidated

under this subtitle, which is fraudulent under this section, may be avoided by the receiver, except as to a person who in good faith is a purchaser, lienor or obligee for a present fair equivalent value; and except that any purchaser, lienor or obligee, who in good faith has given a consideration less than fair for such transfer, lien or obligation, may retain the property, lien or obligation as security for repayment. The court may, on due notice, order any such transfer or obligation to be preserved for the benefit of the estate, and in that event the receiver shall succeed to and may enforce the rights of the purchaser, lienor or obligee.

(2) Perfection of transfers. (a) Personal property. A transfer of property other than real property shall be deemed to be made or suffered when it becomes so far perfected that no subsequent lien obtainable by legal or equitable proceedings on a simple contract could become superior to the rights of the transferee under subsection (3) of Section 31 of Subtitle 33 of this Act.

(b) Real property. A transfer of real property shall be deemed to be made or suffered when it becomes so far perfected that no subsequent bona fide purchaser from the insurer could obtain rights superior to the rights of the transferee.

(c) Equitable liens. A transfer which creates an equitable lien shall not be deemed to be perfected if there are available means by which a legal lien could be created.

(d) Transfer not perfected prior to petition. Any transfer not perfected prior to the filing of a petition for liquidation shall be deemed to be made immediately before the filing of the successful petition.

(e) Actual creditors unnecessary. This subsection applies whether or not there are or were creditors who might have obtained any liens or persons who might have become bona fide purchasers.

(3) Fraudulent reinsurance transactions. Any transaction of the insurer with a reinsurer shall be deemed fraudulent and may be avoided by the receiver under subsection (1) if:

(a) The transaction consists of the termination, adjustment or settlement of a reinsurance contract in which the reinsurer is released from any part of its duty to pay the originally

specified share of losses that had occurred prior to the time of the transaction, unless the reinsurer gives a present fair equivalent value for the release; and

(b) Any part of the transaction took place within one year prior to the date of filing of the petition through which the receivership was commenced.

Section 30. A new section of Subtitle 33 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) Effect of petition: real property. After a petition for rehabilitation or liquidation, a transfer of any of the real property of the insurer made to a person acting in good faith shall be valid against the receiver if made for a present fair equivalent value or, if not made for a present fair equivalent value, then to the extent of the present consideration actually paid therefor, for which amount the transferee shall have a lien on the property so transferred. The recording of a copy of the petition for or order of rehabilitation or liquidation with the county court clerk in the county where any real property in question is located is constructive notice of the commencement of a proceeding in rehabilitation or liquidation. The exercise by a court of the United States or any state of jurisdiction to authorize or effect a judicial sale of real property of the insurer within any county in any state shall not be impaired by the pendency of such a proceeding unless the copy is recorded in the county prior to the consummation of the judicial sale.

(2) Effect of petition: personal property. After a petition for rehabilitation or liquidation and before either the receiver takes possession of the property of the insurer or an order of rehabilitation or liquidation is granted:

(a) A transfer of any of the property of the insurer, other than real property, made to a person acting in good faith shall be valid against the receiver if made for a present fair equivalent value or, if not made for a present fair equivalent value, then to the extent of the present consideration actually paid therefor, for which amount the transferee shall have a lien on the property so transferred.

(b) A person indebted to the insurer or holding property of the insurer may, if acting in good faith, pay the indebtedness

or deliver the property or any part thereof to the insurer or upon his order, with the same effect as if the petition were not pending.

(c) A person having actual knowledge of the pending rehabilitation or liquidation shall be deemed not to act in good faith unless he has reasonable cause to believe that the petition is not well founded.

(d) A person asserting the validity of a transfer under this section shall have the burden of proof. Except as elsewhere provided in this section, no transfer by or in behalf of the insurer after the date of the petition for liquidation by any person other than the liquidator shall be valid against the liquidator.

(3) Negotiability. Nothing in this subtitle shall impair the negotiability of currency or negotiable instruments.

Section 31. A new section of Subtitle 33 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) Preferences. (a) Preference defined. A preference is a transfer of any of the property of an insurer to or for the benefit of a creditor, for or on account of an antecedent debt made or suffered by the insurer within one year before the filing of a successful petition for liquidation under this subtitle, the effect of which transfer may be to enable the creditor to obtain a greater percentage of his debt than another creditor of the same class would receive. If a liquidation order is entered while the insurer is already subject to a rehabilitation order, transfers otherwise qualifying shall be deemed preferences if made or suffered within one year before the filing of the successful petition for rehabilitation or within two years before the filing of the successful petition for liquidation, whichever time is shorter.

(b) Invalidation of preferences. Any preference may be avoided by the liquidator, if (1) the insurer was insolvent at the time of the transfer, or (2) the transfer was made within four months before the filing of the petition, or (3) the creditor receiving it or to be benefited thereby or his agent acting with reference thereto had reasonable cause to believe at the time when the transfer was made that the insurer was insolvent or was about to become insolvent, or (4) the creditor receiving it was an officer, employe, attorney or other person who was in fact in a position of comparable influence in the insurer to an officer

whether or not he held such position, or any shareholder holding directly or indirectly more than 5 percent of any class of any equity security issued by the insurer, or any other person with whom the insurer did not deal at arm's length. Where the preference is voidable, the liquidator may recover the property or, if it has been converted, its value from any person who has received or converted the property, except a bona fide purchaser from or lienor of the debtor's transferee for a present fair equivalent value. Where the bona fide purchaser or lienor has given less than fair equivalent value, he shall have a lien upon the property to the extent of the consideration actually given by him. Where a preference by way of lien or security title is voidable, the court may on due notice order the lien or title to be preserved for the benefit of the estate, in which event the lien or title shall pass to the liquidator.

(2) Perfection of transfers. (a) Personal property. A transfer of property other than real property is deemed to be made or suffered when it becomes so far perfected that no subsequent lien obtainable by legal or equitable proceedings on a simple contract could become superior to the rights of the transferee.

(b) Real property. A transfer of real property is deemed to be made or suffered when it becomes so far perfected that no subsequent bona fide purchaser from the insurer could obtain rights superior to the rights of the transferee.

(c) Equitable liens. A transfer which creates an equitable lien is not deemed to be perfected if there are available means by which a legal lien could be created.

(d) Transfers not perfected prior to petition. A transfer not perfected prior to the filing of a petition for liquidation shall be deemed to be made immediately before the filing of the successful petition.

(e) Actual creditors unnecessary. This subsection applies whether or not there were creditors who might have obtained liens or persons who might have become bona fide purchasers.

(3) Liens by legal or equitable proceedings. (a) Definition. A lien obtainable by legal or equitable proceedings upon a simple contract is one arising in the ordinary course of such proceedings upon the entry or docketing of a judgment or decree,

or upon attachment, garnishment, execution or like process, whether before, upon or after judgment or decree and whether before or upon levy. It does not include liens which under applicable law are given a special priority over other liens which are prior in time.

(b) When liens are superior. A lien obtainable by legal or equitable proceedings could become superior to the rights of a transferee, or a purchaser could obtain rights superior to the rights of a transferee within the meaning of subsection (2), if such consequences would follow only from the lien or purchase itself, or from the lien or purchase followed by any step wholly within the control of the respective lienholder or purchaser, with or without the aid of ministerial action by public officials. Such a lien could not, however, become superior and such a purchase could not create superior rights for the purpose of subsection (2) through any acts subsequent to the obtaining of such a lien or subsequent to such a purchase which require the agreement or concurrence of any third party or which require any further judicial action, or ruling.

(4) Twenty-one day rule. A transfer of property for or on account of a new and contemporaneous consideration which is deemed under subsection (2) to be made or suffered after the transfer because of delay in perfecting it does not thereby become a transfer for or on account of an antecedent debt if any acts required by the applicable law to be performed in order to perfect the transfer as against liens or bona fide purchasers' rights are performed within twenty-one days or any period expressly allowed by the law, whichever is less. A transfer to secure a future loan, if such a loan is actually made, or a transfer which becomes security for a future loan shall have the same effect as a transfer for or on account of a new and contemporaneous consideration.

(5) Indemnifying transfers also voidable. If any lien deemed voidable under subsection (1)(b) has been dissolved by the furnishing of a bond or other obligation, the surety on which has been indemnified directly or indirectly by the transfer of or the creation of a lien upon any property of an insurer before the filing of a petition under this subtitle which results in a liquidation order, the indemnifying transfer or lien shall also be deemed voidable.

(6) Avoidance of lien. The property affected by any lien deemed voidable under subsection (1)(b) and (5) is discharged from the lien, and that property and any of the indemnifying property transferred to or for the benefit of a surety shall pass to the liquidator, except that the court may on due notice order the lien to be preserved for the benefit of the estate and the court may direct that a conveyance be executed which is adequate to evidence the title of the liquidator.

(7) Hearings to determine rights. The court shall have summary jurisdiction of any proceeding by the liquidator to hear and determine the rights of any parties under this section. Reasonable notice of any hearing in the proceeding shall be given to all parties in interest, including the obligee of a releasing bond or other like obligation. Where an order is entered for the recovery of indemnifying property in kind or for the avoidance of an indemnifying lien, the court, upon application of any party in interest, shall in the same proceeding ascertain the value of the property or lien, and if the value is less than the amount for which the property is indemnity or than the amount of the lien, the transferee or lienholder may elect to retain the property or lien upon payment of its value, as ascertained by the court, to the liquidator within such reasonable times as the court fixes.

(8) Surety's liability discharged. The liability of a surety under a releasing bond or other like obligation shall be discharged to the extent of the value of the indemnifying property recovered or the indemnifying lien nullified and avoided or, where the property is retained under subsection (7) to the extent of the amount paid to the liquidator.

(9) Setoff of new advances. If a creditor has been preferred and afterward in good faith gives the insurer further credit without security of any kind, for property which becomes a part of the insurer's estate, the amount of the new credit remaining unpaid at the time of the petition may be set off against the preference which would otherwise be recoverable from him.

Section 32. A new section of Subtitle 33 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) Disallowance for failure to surrender property. No claims of a creditor who has received or acquired a preference,

lien, conveyance, transfer, assignment or encumbrance, voidable under this subtitle, shall be allowed unless he surrenders the preference, lien, conveyance, transfer, assignment or encumbrance. If the avoidance is effected by a proceeding in which a final judgment has been entered, the claim shall not be allowed unless the money is paid or the property is delivered to the liquidator within thirty days from the date of the entering of the final judgment, except that the court having jurisdiction over the liquidation may allow further time if there is an appeal or other continuation of the proceeding.

(2) Time for filing. A claim allowable under subsection (1) by reason of the avoidance, whether voluntary or involuntary, of a preference, lien, conveyance, transfer, assignment or encumbrance may be filed as an excused late filing under Section 36 of Subtitle 33 of this Act if filed within thirty days from the date of the avoidance or within the further time allowed by the court under subsection (1).

Section 33. A new section of Subtitle 33 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) Setoffs allowed in general. Mutual debt or mutual credits between the insurer and another person in connection with any action or proceeding under this subtitle shall be set off and the balance only shall be allowed or paid, except as provided in subsection (2).

(2) Exceptions. No setoff or counterclaim shall be allowed in favor of any person where:

(a) The obligation of the insurer to the person would not at the date of the filing of a petition for liquidation entitle him to share as a claimant in the assets of the insurer;

(b) The obligation of the insurer to the person was purchased by or transferred to the person with a view to its being used as a setoff;

(c) The obligation of the person is to pay an assessment levied against the members or subscribers of the insurer, or is to pay a balance upon a subscription to the capital stock of the insurer, or is in any other way in the nature of a capital contribution; or

(d) The obligation of the person is to pay premiums, whether earned or unearned, to the insurer.

Section 34. A new section of Subtitle 33 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) Report to court. As soon as practicable but not more than two years from the date of an order of liquidation under Section 20 of Subtitle 33 of this Act of an insurer issuing assessable policies, the liquidator shall make a report to the court setting forth:

(a) The reasonable value of the assets of the insurer;

(b) The insurer's probable total liabilities; and

(c) The probable aggregate amount of the assessment necessary to pay all claims of creditors and expenses in full, including expenses of administration and costs of collecting the assessment.

(2) Levy of assessment. (a) Upon the basis of the report provided in subsection (1), including any supplements and amendments thereto, the court may levy ex parte one or more assessments against all members of the insurer who are subject to assessment.

(b) Subject to any applicable legal limits on assessability, the aggregate assessment shall be for the amount that the sum of the probable liabilities, the expenses of administration and the estimated cost of collection of the assessment exceeds the value of existing assets, with due regard being given to assessments that cannot be collected economically.

(3) Order to show cause. After levy of assessment under subsection (2), the court shall issue an order directing each member who has not paid the assessment pursuant to the order to show cause why the liquidator shall not have a judgment therefor. If a member of the insurer also appears to be indebted to the insurer apart from the assessment, the court, upon application of the liquidator, may also direct the member to show cause why he should not pay the other indebtedness. Liability for such indebtedness shall be determined in the same manner and at the same time as the liability to pay the assessment.

(4) Notice. The liquidator shall give notice of the order to show cause, by publication if so directed by the court and by first class mail to each member liable thereunder, mailed at least twenty days before the return day of the order to show

cause, to his last known address as it appears on the records of the insurer.

(5) Orders and hearings. (a) If a member does not appear and serve objections upon the liquidator upon the return day of the order to show cause under subsection (3), the court shall make an order adjudging the member liable for the amount of the assessment against him and other indebtedness, pursuant to subsection (3), together with costs, and the liquidator shall have a judgment against the member therefor.

(b) If on such return day, the member appears and serves objections upon the liquidator, the court may hear and determine the matter or may appoint a referee to hear it and make such order as the facts warrant. Any order made by a referee under this paragraph shall have the same force and effect as if it were a judgment of the court, subject to review by the court upon application within thirty days.

(6) Collection. The liquidator may enforce any order or collect any judgment under subsection (5) by any lawful means.

Section 35. A new section of Subtitle 33 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

The amount recoverable by the liquidator from a reinsurer shall not be reduced as a result of delinquency proceedings, regardless of any provision in the reinsurance contract or other agreement. Payment made directly to an insured or other creditor shall not diminish the reinsurer's obligation to the insurer's estate except when the reinsurance contract provided for direct coverage of an individual named insured and the payment was made in discharge of that obligation.

Section 36. A new section of Subtitle 33 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) Deadline for filing. Proof of all claims must be filed with the court in the form required by Section 37 of Subtitle 33 of this Act on or before the last day for filing specified in the notice required under Section 25 of Subtitle 33 of this Act, except that proof of preferred ownership claims and proprietary claims under subsections (9) and (10) of Section 43 of Subtitle 33 of this Act, need not be filed at all, and proof of claims for unearned

premiums and claims for cash surrender values or other investment values in life insurance and annuities need not be filed unless the liquidator expressly so requires.

(2) Excused late filings. For good cause shown, the liquidator shall recommend, and the court shall permit, a claimant making a late filing to share in dividends, whether past or future, as if he were not late, to the extent that any such payment will not prejudice the orderly administration of the liquidation. Good cause includes but is not limited to the following:

(a) That existence of a claim was not known to the claimant and that he filed within thirty days after he learned of it;

(b) That a claim for unearned premiums or for cash surrender values or other investment values in life insurance or annuities which was not required to be filed was omitted from the liquidator's recommendations to the court under Section 44 of Subtitle 33 of this Act, and that it was filed within thirty days after the claimant learned of the omission;

(c) That a transfer to a creditor was avoided under Sections 29 to 33, inclusive, of Subtitle 33 of this Act, or was voluntarily surrendered under Section 32 of Subtitle 33 of this Act and that the filing satisfies the conditions of Section 32 of Subtitle 33 of this Act;

(d) That valuation under Section 42 of Subtitle 33 of this Act of security held by a secured creditor shows a deficiency, which is filed within thirty days after the valuation; and

(e) That a claim was contingent and became absolute, and was filed within thirty days after it became absolute.

(3) Unexcused late filings. The liquidator may consider any claim filed late which is not covered by subsection (2), and permit it to receive dividends, other than the first dividend, which are subsequently declared on any claims of the same or lower priority if the payment does not prejudice the orderely administration of the liquidation. The late-filing claimant shall receive, at each distribution, the same percentage of the amount allowed on his claim as is then being paid to other claimants of the same priority plus the same percentage of the amount allowed on his claim as is then being paid to claimants of any lower priority. This shall continue until his claim has been paid in full.

Section 37. A new section of Subtitle 33 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) Contents of proof of claim. (a) Proof of claim shall consist of a verified statement that includes all of the following that are applicable:

1. The particulars of the claim, including the consideration given for it.

2. The identity and amount of the security on the claim.

3. The payments made on the debt, if any.

4. That the sum claimed is justly owing and that there is no setoff, counterclaim or defense to the claim.

5. Any right of priority of payment or other specific right asserted by the claimant.

6. A copy of any written instrument which is the foundation of the claim.

7. In the case of any third party claim based on a liability policy issued by the insurer, a conditional release of the insured pursuant to subsection (1) of Section 39 of Subtitle 33 of this Act.

8. The name and address of the claimant and the attorney who represents him, if any.

(b) No claim need be considered or allowed if it does not contain all the information under paragraph (a) which may be applicable. The liquidator may require that a prescribed form be used and may require that other information and documents be included.

(2) Supplementary information. At any time the liquidator may request the claimant to present information or evidence supplementary to that required under subsection (1), and may take testimony under oath, require production of affidavits or depositions or otherwise obtain additional information or evidence.

(3) Conclusiveness of judgments. No judgment or order against an insured or the insurer entered after the filing of a successful petition for liquidation and no judgment or order against an insured or the insurer entered at any time by default or by collusion need be considered as evidence of liability or of

quantum of damages. No judgment or order against an insured or the insurer entered within four months before the filing of the petition need be considered as evidence of liability or of the quantum of damages.

Section 38. A new section of Subtitle 33 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) Claims contingent on judgments. The claim of a third party which is contingent only on his first obtaining a judgment against the insured shall be considered and allowed as if there were no such contingency.

(2) Claims under terminated policies. Any claim that would have become absolute if there had been no termination of coverage under Section 12 of Subtitle 33 of this Act, and which was not covered by insurance acquired to replace the terminated coverage, shall be allowed as if the coverage had remained in effect, unless at least ten days before the insured event occurred either the claimant had actual notice of the termination or notice was mailed to him as prescribed by subsection (1) of Section 25, or subsection (1) of Section 26, of Subtitle 33 of this Act. If allowed, the claim shall share in distributions under subsection (8) of Section 43, of Subtitle 33 of this Act.

(3) Other contingent claims. A claim may be allowed even if contingent, if it is filed in accordance with subsection (2) of Section 36 of Subtitle 33 of this Act. It may be allowed and may participate in all dividends declared after it is filed, to the extent that it does not prejudice the orderly administration of the liquidation.

(4) Immature claims. Claims that are due except for the passage of time shall be treated as absolute claims are treated, except that where justice requires the court may order them discounted at the legal rate of interest.

Section 39. A new section of Subtitle 33 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) Third party's claim. Whenever any third party asserts a cause of action against an insured of an insurer in liquidation, the third party may file a claim with the liquidator. The filing of the claim shall release the insured's liability to the third party

on that cause of action in the amount of the applicable policy limit, but the liquidator shall also insert in any form used for the filing of third party claims appropriate language to constitute such a release. The release shall be void if the insurance coverage is avoided by the liquidator.

(2) Insured's claim. Whether or not the third party files a claim, the insured may file a claim on his own behalf in the liquidation. If the insured fails to file a claim by the date for filing claims specified in the order of liquidation or within sixty days after mailing of the notice required by subsection (1) (b) of Section 25 of Subtitle 33 of this Act, whichever is later, he is an unexcused late filer.

(3) Procedure for insured's claim. The liquidator shall make his recommendations to the court under Section 44 of Subtitle 33 of this Act for the allowance of an insured's claim under subsection (2) after consideration of the probable outcome of any pending action against the insured on which the claim is based, the probable damages recoverable in the action and the probable costs and expenses of defense. After allowance by the court, the liquidator shall withhold any dividends payabe on the claim, pending the outcome of litigation and negotiation with the insured. Whenever it seems appropriate, he shall reconsider the claim on the basis of additional information and amend his recommendations to the court. The insured shall be afforded the same notice and opportunity to be heard on all changes in the recommendation as in its initial determination. The court may amend its allowance as it thinks appropriate. As claims against the insured are settled or barred, the insured shall be paid from the amount withheld, the same percentage dividend as was paid on other claims of like priority, based on the lesser of (a) the amount actually recovered from the insured by action or paid by agreement plus the reasonable costs and expenses of defense, or (b) the amount allowed on the claims by the court. After all claims are settled or barred, any sum remaining from the amount withheld shall revert to the undistributed assets of the insurer. Delay in final payment under this subsection shall not be a reason for unreasonable delay of final distribution and discharge of the liquidator.

(4) Multiple claims. If several claims founded upon one

policy are filed, whether by third parties or as claims by the insured under this section, and the aggregate allowed amount of the claims to which the same limit of liability in the policy is applicable exceeds that limit, each claim as allowed shall be reduced in the same proportion so that the total equals the policy limit. Claims by the insured shall be evaluated as in subsection (3). If any insured's claim is subsequently reduced under subsection (3), the amount thus freed shall be apportioned ratably among the claims which have been reduced under this subsection.

Section 40. A new section of Subtitle 33 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) Notice of rejection and request for hearing. When a claim is denied in whole or in part by the liquidator, written notice of the determination shall be given to the claimant and his attorney by first class mail at the address shown in the proof of claim. Within sixty days from the mailing of the notice, the claimant may file his objections with the court. If no such filing is made, the claimant may not further object to the determination.

(2) Notice of hearing. Whenever objections are filed with the court, the liquidator shall ask the court for a hearing as soon as practicable and give notice of the hearing by first class mail to the claimant or his attorney and to any other persons directly affected, not less than ten nor more than twenty days before the date of the hearing. The matter may be heard by the court or by a court-appointed referee.

Section 41. A new section of Subtitle 33 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

Whenever a creditor whose claim against an insurer is secured in whole or in part by the undertaking of another person fails to prove and file that claim, the other person may do so in the creditor's name, and shall be subrogated to the rights of the creditor, whether the claim has been filed by the creditor or by the other person in the creditor's name, to the extent that he discharges the undertaking. In the absence of an agreement with the creditor to the contrary, the other person shall not be entitled to any dividend until the amount paid to the creditor on the undertaking plus the dividends paid on the claim from

the insurer's estate to the creditor equals the amount of the entire claim of the creditor. Any excess received by the creditor shall be held by him in trust for such other person.

Section 42. A new section of Subtitle 33 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) The value of any security held by a secured creditor shall be determined in one of the following ways, as the court directs:

(a) By converting the same into money according to the terms of the agreement pursuant to which the security was delivered to such creditor;

(b) By agreement, arbitration, compromise or litigation between the creditor and the liquidator.

(2) The determination shall be under the supervision and control of the court. The amount so determined shall be credited upon the secured claim, and any deficiency shall be treated as an unsecured claim. If the claimant surrenders his security to the liquidator, the entire claim shall be allowed as if unsecured.

Section 43. A new section of Subtitle 33 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

The order of distribution of claims from the insurer's estate shall be as stated in this section. The first $50 of the amount allowed on each claim in the classes under subsections (2) to (6), inclusive, shall be deducted from the claim and included in the class under subsection (8). Claims may not be cumulated by assignment to avoid application of the $50 deductible provision. Subject to the $50 deductible provision, every claim in each class shall be paid in full or adequate funds retained for the payment before the members of the next class receive any payment. No subclasses shall be established within any class.

(1) Administration costs. The costs and expenses of administration, including but not limited to the following: the actual and necessary costs of preserving or recovering the assets of the insurer; compensation for all services rendered in the liquidation; any necessary filing fees; the fees and mileage payable to witnesses; and reasonable attorney's fees.

(2) Wages. (a) Debts due to employes for services performed, not to exceed $1,000 to each employe which have been earned within one year before the filing of the petition for liquidation. Officers shall not be entitled to the benefit of this priority.

(b) Such priority shall be in lieu of any other similar priority authorized by law as to wages or compensation of employes.

(3) Loss claims. All claims under policies for losses incurred including third party claims, and all claims against the insurer for liability for bodily injury for injury to or destruction of tangible property which are not under policies, except the first $200 of losses otherwise payable to any claimant under this subsection. All claims under life insurance and annuity policies, whether for death proceeds, annuity proceeds or investment values, shall be treated as loss claims. Claims may not be cumulated by assignment to avoid application of the $200 deductible provision. That portion of any loss for which indemnification is provided by other benefits or advantages recovered or recoverable by the claimant shall not be included in this class, other than benefits or advantages recovered or recoverable in discharge of familial obligations of support or by way of succession at death or as proceeds of life insurance, or as gratuities. No payment made by an employer to his employe shall be treated as a gratuity.

(4) Unearned premiums and small loss claims. Claims under nonassessable policies for unearned premiums or other premium refunds and the first $200 of loss excepted by the deductible provision in subsection (3).

(5) Residual classification. All other claims including claims of the federal or any state or local government, not falling within other classes under this section. Claims, including those of any governmental body, for a penalty or forfeiture, shall be allowed in this class only to the extent of the pecuniary loss sustained from the act, transaction or proceeding out of which the penalty or forfeiture arose, with reasonable and actual costs occasioned thereby. The remainder of such claims shall be postponed to the class of claims under subsection (8).

(6) Judgments. Claims based solely on judgments. If a claimant files a claim and bases it both on the judgment and on the underlying facts, the claim shall be considered by the liquida-

tor who shall give the judgment such weight as he deems appropriate. The claim as allowed shall receive the priority it would receive in the absence of the judgment. If the judgment is larger than the allowance on the underlying claim, the remaining portion of the judgment shall be treated as if it were a claim based solely on a judgment.

(7) Interest on claims already paid. Interest at the legal rate compounded annually on all claims in the classes under subsection (1) to (6), inclusive, from the date of the petition for liquidation or the date on which the claim becomes due, whichever is later, until the date on which the dividend is declared. The liquidator, with the approval of the court, may make reasonable classifications of claims for purposes of computing interest, may make approximate computations and may ignore certain classifications and time periods as de minimis.

(8) Miscellaneous subordinated claims. The remaining claims or portions of claims not already paid, with interest as in subsection (7):

(a) The first $50 of each claim in the classes under subsections (2) to (6), inclusive, subordinated under this section;

(b) Claims under subsection (2) of Section 38 of Subtitle 33 of this Act;

(c) Claims subordinated by Section 60 of Subtitle 33 of this Act;

(d) Claims filed late;

(e) Portions of claims subordinated under subsection (5); and

(f) Claims or portions of claims payment of which is provided by other benefits or advantages recovered or recoverable by the claimant.

(9) Preferred ownership claims. Surplus or contribution notes, or similar obligations, and premium refunds on assessable policies. Payments to members of domestic mutual insurance companies shall be limited in accordance with subsection (2) of Section 45 of Subtitle 33 of this Act. Interest at the legal rate shall be added to each claim, as in subsection (7) and (8).

(10) Proprietary claims. The claims of shareholders or other owners.

Section 44. A new section of Subtitle 33 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) Recommended claims. The liquidator shall review all claims duly filed in the liquidation and shall make such further investigation as he deems necessary. He may compound, compromise or in any other manner negotiate the amount for which claims will be recommended to the court. Unresolved disputes shall be determined under Section 40 of Subtitle 33 of this Act. As often as practicable, he shall present to the court reports of claims against the insurer with his recommendations. The reports shall include the name and address of each claimant, the particulars of the claim and the amount of the claim finally recommended, if any. As soon as reasonably possible after the last day for filing claims, he shall present a list of all claims not already reported. If the insurer has issued annuities or life insurance policies, the liquidator shall report the persons to whom, according to the records of the insurer, amounts are owed as cash surrender values or other investment values and the amounts owed. If the insurer has issued policies on the advance premium plan, the liquidator shall report the persons to whom, according to the records of the insurer, unearned premiums are owed and the amounts owed.

(2) Allowance of claims. The court may approve, disapprove or modify any report on claims by the liquidator, except that the liquidator's agreements with other parties shall be final and binding on the court on claims settled for $500 or less. No claim under a policy of insurance shall be allowed for an amount in excess of the applicable policy limits.

Section 45. A new section of Subtitle 33 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

Payments to creditors. Under the direction of the court, the liquidator shall pay dividends in a manner that will assure the proper recognition of priorities and a reasonable balance between the expeditious completion of the liquidation and the protection of unliquidated and undetermined claims, including third party claims. Distribution of assets in kind may be made at valuations set by agreement between the liquidator and the creditor and approved by the court.

Section 46. A new section of Subtitle 33 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) Unclaimed funds. All unclaimed funds subject to distribution remaining in the liquidator's hands when he is ready to apply to the court for discharge, including the amount distributable to any creditor, shareholder, member or other person who is unknown or cannot be found or who is under disability with no person legally competent to receive his distributive share, shall be deposited with the State Treasurer, and shall be paid over without interest except in accordance with Section 43 of Subtitle 33 of this Act to the person entitled thereto or his legal representative upon proof satisfactory to the State Treasurer of his right thereto. Any amount on deposit not claimed within six years from the discharge of the liquidator is deemed abandoned and shall become property of the state. The State Treasurer shall at the end of each fiscal year transfer these amounts to the common school fund.

(2) Withheld funds. All funds withheld under Section 39 of Subtitle 33 of this Act and not distributed shall upon discharge of the liquidator be deposited with the State Treasurer and paid by him in accordance with Section 39 of Subtitle 33 of this Act. Any sums remaining which under Section 39 of Subtitle 33 of this Act would revert to the undistributed assets of the insurer shall be transferred to the State Treasurer and become the property of the state under subsection (1) unless the commissioner petitions the court to reopen the liquidation under Section 48 of Subtitle 33 of this Act.

Section 47. A new section of Subtitle 33 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) Liquidator's application. When all assets justifying the expense of collection and distribution have been collected and distributed under this subtitle, the liquidator shall apply to the court for discharge. The court may grant the discharge and make any other orders deemed appropriate, including an order to transfer to the state treasury for the common school fund any remaining funds that are uneconomic to distribute.

(2) Application by others. Any other person may apply to the court at any time for an order under subsection (1). If

the application is denied, the applicant shall pay the costs and expenses of the liquidator in resisting the application, including a reasonable attorney's fee.

Section 48. A new section of Subtitle 33 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

After the liquidation proceeding has been terminated and the liquidator discharged, the commissioner or other interested party may at any time petition the court to reopen the proceedings for good cause, including the discovery of additional assets. If the court is satisfied that there is justification for reopening, it shall so order.

Section 49. A new section of Subtitle 33 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

Whenever it appears to the commissioner that the records of any insurer in process of liquidation or completely liquidated are no longer useful, he may recommend to the court what records should be retained for future reference and what should be disposed of. The court shall enter an order thereon. The commissioner shall keep all records the court orders preserved, in accordance with Section 15 of Subtitle 2 of this Act.

Section 50. A new section of Subtitle 33 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

The court in which the proceeding is pending may, as it deems desirable, cause audits to be made of the books of the commissioner relating to any receivership established under this subtitle, and a report of each audit shall be filed with the commissioner and with the court. The books, records and other documents of the receivership shall be made available to the auditor at any time without notice. The expense of each audit shall be considered a cost of administration of the receivership.

Section 51. A new section of Subtitle 33 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) Grounds for petition. If a domiciliary liquidator has not been appointed, the commissioner may apply to the circuit court for Franklin County by petition for an order directing him to conserve the property of an alien insurer not domiciled in this

state or a foreign insurer on any one or more of the following grounds:

(a) Any of the grounds in Section 14 of Subtitle 33 of this Act;

(b) Any of the grounds in Section 19 of Subtitle 33 of this Act;

(c) That any of its property has been sequestered by official action in its domiciliary state, or in any other state;

(d) That enough of its property has been sequestered in a foreign country to give reasonable cause to fear that the insurer is or may become insolvent;

(e) That (i) its certificate of authority to do business in this state has been revoked or that none was ever issued, and (ii) there are residents of this state with outstanding claims or outstanding policies.

(2) Terms of order. The court may issue the order in whatever terms it deems appropriate. The filing or recording of the order with any county court clerk in this state imparts the same notice as a deed, bill of sale or other evidence of title duly filed or recorded with that county court clerk.

(3) Transformation to liquidation or ancillary receivership. The conservator may at any time petition for and the court may grant an order under Section 52 of Subtitle 33 of this Act to liquidate the assets of a foreign or alien insurer under conservation or, if appropriate, for an order under Section 54 of Subtitle 33 of this Act to be appointed ancillary receiver.

(4) Order to return to insurer. The conservator may at any time petition the court for an order terminating conservation of an insurer. If the court finds that the conservation is no longer necessary, it shall order that the insurer be restored to possession of its property and the control of its business. The court may also make such finding and issue such order at any time upon its own motion.

Section 52. A new section of Subtitle 33 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) Grounds for petition. If no domiciliary receiver has been appointed, the commissioner may apply to the circuit court

for Franklin County by petition for an order directing him to liquidate the assets found in this state of a foreign insurer or an alien insurer not domiciled in this state, on any of the following grounds:

(a) Any of the grounds in Section 14 of Subtitle 33 of this Act;

(b) Any of the grounds in Section 19 of Subtitle 33 of this Act;

(c) Any of the grounds in Section 51 of Subtitle 33 of this Act.

(2) Terms of order. If it appears to the court that the best interests of creditors, policyholders and the public so require, the court may issue an order to liquidate in whatever terms it deems appropriate. The filing or recording of the order with any county court clerk in this state imparts the same notice as a deed, bill of sale or other evidence of title duly filed or recorded with that county court clerk.

(3) Conversion to ancilliary proceeding. If a domiciliary liquidator is appointed in a reciprocal state while a liquidation is proceeding under this section, the liquidator under this section shall thereafter act as ancillary receiver under Section 54 of Subtitle 33 of this Act. If a domiciliary liquidator is appointed in a nonreciprocal state while a liquidation is proceeding under this section, the liquidator under this section may petition the court for permission to act as ancillary receiver under Section 54 of Subtitle 33 of this Act.

(4) Federal receivership. On the same grounds as are specified in subsection (1), the commissioner may petition any appropriate federal district court to be appointed receiver to liquidate that portion of the insurer's assets and business over which the court will exercise jurisdiction; or any lesser part thereof that the commissioner deems desirable for the protection of the policyholders and creditors in this state. The commissioner may accept appointment as federal receiver if another person files a petition.

Section 53. A new section of Subtitle 33 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) Property rights and title: reciprocal state. The domi-

ciliary liquidator of an insurer domiciled in a reciprocal state shall be vested by operation of law with the title to all of the property, contracts and rights of action, and all of the books, accounts and other records of the insurer located in this state. The date of vesting shall be the date of the filing of the petition, if that date is specified by the domiciliary law for the vesting of property in the domiciliary state; otherwise, the date of vesting shall be the date of entry of the order directing possession to be taken. The domiciliary liquidator shall have the immediate right to recover balances due from agents and to obtain possession of the books, accounts and other records of the insurer located in this state. He also shall have the right to recover the other assets of the insurer located in this state, subject to subsection (2) of Section 54 of Subtitle 33 of this Act.

(2) Property rights and title: state not a reciprocal state. If a domiciliary liquidator is appointed for an insurer not domiciled in a reciprocal state, the commissioner of this state shall be vested by operation of law with the title to all of the property, contracts and rights of action, and all of the books, accounts and other records of the insurer located in this state, at the same time that the domiciliary liquidator is vested with title in the domiciling state. The commissioner of this state may petition for a conservation or liquidation order under section 51 or 52 of Subtitle 33 of this Act, or for an ancillary receivership under Section 54 of Subtitle 33 of this Act, or after approval by the circuit court for Franklin County, may transfer title to the domiciliary liquidator, as the interests of justice and the equitable distribution of the assets require.

(3) Filing claims. Claimants residing in this state may file claims with the liquidator or ancillary receiver, if any, in this state or with the domiciliary liquidator, if the domiciliary law permits. The claims must be filed on or before the last date fixed for the filing of claims in the domiciliary liquidation proceedings.

Section 54. A new section of Subtitle 33 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) Appointment of ancillary receiver in this state. If a domiciliary liquidator has been appointed for an insurer not domiciled in this state, the commissioner shall file a petition

with the circuit court for Franklin County requesting appointment as ancillary receiver in this state:

(a) If he finds that there are sufficient assets of the insurer located in this state to justify the appointment of an ancillary receiver;

(b) If ten or more persons resident in this state having claims against the insurer file a petition with the commissioner requesting appointment of an ancillary receiver; or

(c) If the protection of creditors or policyholders in this state so requires.

(2) Terms of order. The court may issue an order appointing an ancillary receiver in whatever terms it deems appropriate. The filing or recording of the order with any county court clerk in this state imparts the same notice as a deed, bill of sale or other evidence of title duly filed or recorded with that county court clerk.

(3) Property rights and title: ancillary receivers in this state. When a domiciliary liquidator has been appointed in a reciprocal state, the ancillary receiver appointed in this state under subsection (1) shall have the sole right to recover all the assets of the insurer in this state not already recovered by the domiciliary liquidator, except that the domiciliary liquidator shall be entitled to and have the sole right to recover balances due from agents and the books, accounts and other records of the insurer. The ancillary receiver shall have the right to recover balances due from agents and books, accounts and other records of the insurer, if such action is necessary to protect the assets because of inaction by the domiciliary liquidator. The ancillary receiver shall, as soon as practicable, liquidate from their respective securities those special deposit claims and secured claims which are proved and allowed in the ancillary proceedings in this state, and shall pay the necessary expenses of the proceedings. He shall promptly transfer all remaining assets to the domiciliary liquidator. Subject to this section, the ancillary receiver and his deputies shall have the same powers and be subject to the same duties with respect to the administration of assets as a liquidator of an insurer domiciled in this state.

(4) Property rights and title: foreign ancillary receivers.

When a domiciliary liquidator has been appointed in this state, ancillary receivers appointed in reciprocal states shall have, as to assets and books, accounts and other records located in their respective states, corresponding rights and powers to those prescribed in subsection (3) for ancillary receivers appointed in this state.

Section 55. A new section of Subtitle 33 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

The commissioner in his sole discretion may institute proceedings under Section 11 or 12 of Subtitle 33 of this Act at the request of the commissioner or other appropriate official of the domiciliary state of any foreign or alien insurer having property located in this state.

Section 56. A new section of Subtitle 33 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) Filing claims. In a liquidation proceeding begun in this state against an insurer domiciled in this state, claimants residing in foreign countries or in states not reciprocal states must file claims in this state, and claimants residing in reciprocal states may file claims either with the ancillary receivers, if any, in their respective states, or with the domiciliary liquidator. Claims must be filed on or before the last dates fixed for the filing of claims in the domiciliary liquidation proceeding.

(2) Proving claims. Claims belonging to claimants residing in reciprocal states may be proved either in the liquidation proceeding in this state as provided in this subtitle, or in ancillary proceedings, if any, in the reciprocal states. If notice of the claim and opportunity to appear and be heard is afforded the domiciliary liquidator of this state as provided in Section 57 of Subtitle 33 of this Act with respect to ancillary proceedings in this state, the final allowance of claims by the courts in ancillary proceedings in reciprocal states shall be conclusive as to amount and as to priority against special deposits or other security located in the ancillary states, but shall not be conclusive with respect to priorities against general assets under Section 43 of Subtitle 33 of this Act.

Section 57. A new section of Subtitle 33 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) Filing claims. In a liquidation proceeding in a reciprocal state against an insurer domiciled in that state, claimants against the insurer who reside within this state may file claims either with the ancillary receiver, if any, in this state, or with the domiciliary liquidator. Claims must be filed on or before the last dates fixed for the filing of claims in the domiciliary liquidation proceeding.

(2) Proving claims. Claims belonging to claimants residing in this state may be proved either in the domiciliary state under the law of that state or in ancilliary proceedings, if any, in this state. If a claimant elects to prove his claim in this state, he shall file his claim with the court in the manner provided in sections 36 and 37 of Subtitle 33 of this Act. The ancillary receiver shall make his recommendation to the court as under Section 44 of Subtitle 33 of this Act. He also shall arrange a date for hearing if necessary under Section 40 of Subtitle 33 of this Act and shall give notice to the liquidator in the domicilary state, either by registered mail or by personal service at least forty days prior to the date set for hearing. If the domiciliary liquidator, within thirty days after the giving of such notice, gives notice in writing to the ancillary receiver and to the claimant; either by registered mail or by personal service, of his intention to contest the claim, he shall be entitled to appear or to be represented in any proceeding in this state involving the adjudication of the claim. The final allowance of the claim by the courts of this state shall be accepted as conclusive as to amount and as to priority against special deposits or other security located in this state.

Section 58. A new section of Subtitle 33 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

During the pendency in this or any other state of a liquidation proceeding, whether called by that name or not, no action or proceeding in the nature of an attachment, garnishment or levy of execution shall be commenced or maintained in this state or elsewhere against the delinquent insurer or its assets.

Section 59. A new section of Subtitle 33 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) Priorities. In a liquidation proceeding in this state involving one or more reciprocal states the order of distribution of the domiciliary state shall control as to all claims of residents of this and reciprocal states. All claims of residents of reciprocal states shall be given equal priority of payment from general assets regardless of where such assets are located.

(2) Priority of special deposit claims. The owners of special deposit claims against an insurer for which a liquidator is appointed in this or any other state shall be given priority against the special deposits in accordance with the statutes governing the creation and maintenance of the deposits. If there is a deficiency in any deposit so that the claims secured by it are not fully discharged from it, the claimants may share in the general assets, but the sharing shall be deferred until general creditors, and also claimants against other special deposits who have received smaller percentages from their respective special deposits, have been paid percentages of their claims equal to the percentage paid from the special deposit.

(3) Priority of secured claims. The owner of a secured claim against an insurer for which a liquidator has been appointed in this or any other state may surrender his security and file his claim as a general creditor, or the claim may be discharged by resort to the security in accordance with Section 42 of Subtitle 33 of this Act, in which case the deficiency, if any, shall be treated as a claim against the general assets of the insurer on the same basis as claims of unsecured creditors.

Section 60. A new section of Subtitle 33 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

If an ancillary receiver in another state or foreign country, whether called by that name or not, fails to transfer to the domiciliary liquidator in this state any assets within his control other than special deposits, diminished only by the expenses of the ancillary receivership, if any, the claims filed in the ancillary receivership, other than special deposit claims or secured claims, shall be placed in the class of claims under subsection (8) of Section 43 of Subtitle 33 of this Act.

SUBTITLE 99

Section 1. A new section of Subtitle 99 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

Any person who violates any provision of this code, other than provisions for which specific penalties are provided, or who knowingly violates any proper order of the commissioner, shall, upon conviction by a court of competent jurisdiction, be fined not less than $50 nor more than $1,000.

Section 2. A new section of Subtitle 99 of Chapter 304 of the Kentucky Revised Statutes is created to read as follows:

(1) For any violation of this code where the commissioner has the power to revoke or suspend a license he may in lieu thereof impose a civil penalty against the violator in the case of an insurer of not more than $5,000; in the case of an agent, broker or solicitor of not more than $500; in the case of an adjuster or consultant of not more than $1,000.

(2) Such civil penalty may be recovered in an action brought thereon in the name of the Commonwealth of Kentucky in any court of appropriate jurisdiction.

(3) In any court action with respect to a civil penalty, the court may review the penalty as to both liability and reasonableness of amount.

Section 3. Chapters 295, 300, 304, and Sections 303.010, 303.020, 303.030, 303.040, 303.050, 303.060, 303.070, 303.080, 303.090, 303.160, 303.170, 303.180, 303.190, 303.200, 303.210, 303.220, 303.230, 303.240, 303.310, 303.320, 303.330, 303.340, 303.350, 303.360, 303.370, 303.380, 303.390, 303.400 are hereby repealed.

The Committee Amendment to **SB 253** is as follows:

Amend printed copy of Senate Bill 253 on page 353, lines 5 through 28; and, on page 354, lines 1 through 7; by deleting these lines in their entirety and inserting in lieu thereof the following:

"(2) All life insurance and all health insurance in connection with loans or other credit transactions shall be subject to the provisions of this Act, except such insurance in connection

with a loan or other credit transaction of more than five years' duration; nor shall insurance be subject to provisions of this Act where the issuance of such insurance is an isolated transaction on the part of the insurer not relating to an agreement or a plan for insuring debtors of the creditor; nor shall insurance issued for an amount in excess of $10,000 be subject to this Act.

(3) (a) Credit Life Insurance. It shall be presumed that premium rates charged or to be charged are not excessive in relation to the benefits if the premium or premium rates as filed with the commissioner do not exceed the following, or actuarially equivalent rates:

1. For decreasing term credit life insurance, a single premium of 75 cents per annum per $100 of scheduled indebtedness, or 90 cents per annum per $100 of scheduled indebtedness if dismemberment benefits are included in the policy.

2. Single premium rates for indebtedness repayable in monthly installments other than twelve in number shall not exceed one-twelfth of the above premium rate multiplied by the number of full months in the scheduled period.

3. A premium payable monthly at the rate of $1.16 per $1,000 of outstanding unpaid insured indebtedness or $1.39 per $1,000 of outstanding unpaid insured indebtedness if dismemberment benefits are included in the policy, will be deemed the actuarial equivalent of the foregoing rates.

4. For level term credit life insurance, a single premium of $1.50 per annum per $100 of indebtedness or $1.80 per $100 of indebtedness if dismemberment benefits are included in the policy.

(b) The foregoing rate standards assume:

1. That the standards set forth above are applicable to a plan of death benefits with or without requirements for evidence of insurability which contain no exclusions except for suicide; other exclusions must receive the approval of the commissioner, and

2. That coverage is offered to all debtors regardless of age; or to all debtors not older than the applicable age limit which shall be not less than 65 at the inception of the indebtedness or

66 at the scheduled maturity date of the transaction, provided that each company's right to underwrite risks on an individual basis shall not be restricted by this assumption. Appropriate adjustments may be made with the approval of the commissioner if premium rates are determined according to the age of the insured debtor or by age brackets.

3. Rates for use with forms which are more restrictive in any material respect shall reflect variations in lower rates. Similarly, forms providing more extensive benefits than set forth above may carry appropriately higher charges.

(4) (a) Credit Health Insurance. It shall be presumed that premium rates charged or to be charged are not excessive in relation to the benefits if the premium or premium rates as filed with the commissioner do not exceed the following, or actuarially equivalent rates:

Single Premium Per $100 of Initial Indebtedness

	Nonretroactive Basis		Retroactive Basis	
Number of Monthly Installments	14-Day Wait	30-Day Wait	14-Day Wait	30-Day Wait
1 - 12 months	$1.67	$ .75	$2.20	$1.00
13 - 24 months	$2.25	$1.50	$3.00	$2.00
25 - 36 months	$2.85	$2.25	$3.80	$3.00
37 - 48 months	$3.45	$3.00	$4.60	$4.00
49 - 60 months	$4.00	$3.75	$5.40	$5.00

(b) The foregoing rate standards assume:

1. That the standards set forth above shall be applicable to contracts which may contain a provision excluding or denying a claim for disability, resulting from pre-existing illness, disease or physical condition for which the debtor received medical advice, consultation or treatment during the twelve month period immediately preceding the effective date of the debtor's coverage and which would ordinarily be expected to affect materially the debtor's health during the period of coverage; provided, however, that after such coverage has been in force for six months (twelve months for contracts of more than three years), this pre-existing exclusion clause shall not operate to deny coverage for any disability commencing thereafter. The contract shall contain

no other provision which excludes or restricts liability in the event of disability caused in a certain specified manner, except provisions excluding or restricting coverage in the event of pregnancy, intentionally self-inflicted injuries, foreign travel or residence, flight in non-scheduled aircraft, war or military service.

2. That coverage is offered to all debtors regardless of age, or to all debtors not older than the applicable age limit which shall be not less than 65 at the inception of the indebtedness or 66 at the scheduled maturity date of the transaction, provided that each Company's right to underwrite risks on an individual basis shall not be restricted by this assumption. Appropriate adjustments may be made with the approval of the commissioner if premium rates are determined according to the age of the insured debtor or by age brackets.

3. Rates for use with forms which are more restrictive in any material respect shall reflect such variations in lower rates. Similarly, forms providing more extensive benefits than set forth above may carry appropriately higher charges.

(5) Statistical Reporting. Each insurer writing credit life or credit health insurance within this state shall keep and maintain statistical data of its experience on these kinds of insurance. The insurer shall, on or before the first day of May of each year, file with the commissioner its statistical experience data for the year ending December 31st immediately preceding. Such experience shall be reported on forms conforming to those now or hereafter from time to time adopted by the National Association of Insurance Commissioners."

And, on page 354, line 21, by adding the following after the word "code."

"After the effective date of this Act, no borrower shall be added to an existing group policy at rates higher than those set forth in Section 8, subsections (3) and (4) supra."

And, on page 355, line 10, by adding the following after the word "commissioner.".

"Nothing contained in this section shall require the debtor to surrender any policy or group certificate for cancellation or termination solely because the indebtedness has been paid in

full prior to the scheduled maturity date, nor require the insurer to return any premiums."

and on page 87, line 25, by: deleting "may" and inserting in lieu thereof "shall"

and on page 134, lines 23-24, by: adding between lines 23 & 24 the following:

"(c) An employe who is an employe of a corporation other than an insurance company which provides actuarial services provided such corporation employs on a full time basis one or more members of the Society of Actuaries or Academy of Actuaries."

Calendar

HB 576, HB 515, HB 72, HB 104, HB 450, HB 583, HB 593, HB 642, HB 702, HB 678, HB 676, HB 646, HR 35, HR 86, SB 303 and **SB 70** taken from the Calendar and ordered read at length for the second time. Representative McBrayer moved that they be read by title only. Agreed by a majority of members elected. Ordered placed in Orders of the Day.

Motions, Petitions and Communications

Representative Carter filed an Amendment to **HB 157.**

Representative J. Hardin filed an Amendment to **HB 157.**

Representative Priddy filed an Amendment to **HB 490.**

Representative Keene filed an Amendment to **HB 341.**

Representative Hinkle filed an Amendment to **HB 702.**

Representative Kenton moved the adoption of the following **HR 83:**

HCR 83, A RESOLUTION declaring the independence of the General Assembly.

WHEREAS, when, in the course of human events, it becomes necessary for one branch of government to dissolve the political

bands which have connected them with another, and to assume, among the powers of the Commonwealth, the separate and equal station to which the provisions of the Constitution entitle them, a decent respect to the opinions of Kentuckians requires that they should declare the causes which impel them to the separation; and

WHEREAS, the Constitution of this Commonwealth divides the powers of government among three distinct departments, and provides that no department shall exercise any power properly belonging to either of the others; and

WHEREAS, the history of this Commonwealth contains an unbroken record of dominance of the Legislative branch by the Executive branch of Kentucky Government; and

WHEREAS, conceptual and functional legislative independence is essential to effective representative government in a democracy; and

WHEREAS, the dominance of the Executive branch by members of one political party at a time when the Legislative branch is dominated by members of another political party has created the opportunity and the necessity for the General Assembly to take up the task of representing the people of this Commonwealth in a manner more nearly independent than at any other time in this century; and

WHEREAS, this newfound independence, if maintained, must inevitably result in increased efficiency and economy in state government;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky, the Senate concurring therein:

That the General Assembly declares that it shall continue to exercise the functions and responsibilities of an independent branch of government to the last syllable of recorded time, and that it shall, without fear or favoritism, represent the people of this Commonwealth and no other branch of government.

On the roll call the vote was yeas 93—Alexander, Allen, Arnett, Baker, Bartley, Bleemel, Blume, Blythe, Archie Brown,

Edward G. Brown, Hershel Brown, Carroll, Carter, Chapman, Clapp, Clarke, Conn, Curlin, James A. Davis, Walter Davis, DeMarcus, Deskins, Donnermeyer, Dorris, Durham, Floyd, Freeman, Graves, Haney, John O. Hardin, L. T. Hardin, Head, Hinkle, Holloway, Huff, Hughes, Isler, Keene, Keith, Kenton, Kessinger, Kidd, King, Knuckles, Lewis, Lindsay, Louden, Lovins, McBrayer, McBride, McCann, McGill, McKinney, McNamara, May, Mershon, Miller, Mitchell, Murphy, Nett, Osborne, Parish, Paxton, Peak, Pollitte, Prather, Priddy, Rattliff, Ray, Reed, Russell Reynolds, T. P. Reynolds, W. J. Reynolds, Rickert, Ruh, Salyers, Schmidt, Sharpe, Siemens, Simmons, Swinford, Tobin, Van Horn, Wells, Wenz, West, Wheeler, Glenn White, John E. White, Wible, Wright, Wyatt, Yocom. Nays 0.

HCR 83 was adopted.

Representative Kenton moved that the vote by which **HCR 83** was adopted be reconsidered and said motion be postponed indefinitely. Agreed.

Representative W. J. Reynolds moved that **HB 216** as amended be taken from the table.

On the roll call the vote was yeas 58—Alexander, Allen, Arnett, Blume, Carroll, Carter, Chapman, Clapp, Clarke, Conn, Curlin, Deskins, Dorris, Freeman, Graves, Haney, John O. Hardin, Head, Hinkle, Hughes, Isler, Keene, Kenton, Kidd, Kleier, Lewis, Louden, Lovins, McBrayer, McBride, McCann, McGill, McNamara, May, Mershon, Miller, Mitchell, Nett, Paxton, Peak, Pollitte, Prather, Priddy, Ray, Reed, Russell Reynolds, T. P. Reynolds, W. J. Reynolds, Rickert, Roberts, Ruh, Salyers, Tobin, Van Horn, Glenn White, Wible, Wyatt, Yocom. Nays 18—Baker, Bartley, A. Brown, H. Brown, W. Davis, DeMarcus, Durham, Floyd, Huff, Knuckles, Parish, Schmidt, Sharpe, Simmons, Stuart, Swinford, Wenz, West.

The motion that **HB 216** as amended be taken from the table was adopted.

Representative W. J. Reynolds moved that **HB 216** as amended be placed upon its passage. Agreed.

On the roll call the vote was yeas 54—Alexander, Allen, Arnett, Bleemel, Blume, Carroll, Carter, Chapman, Clarke, Conn,

Curlin, Deskins, Dorris, Graves, Haney, John O. Hardin, Head, Hinkle, Hughes, Isler, Keene, Kenton, Kidd, Kleier, Lewis, Louden, Lovins, McBrayer, McBride, McCann, McGill, May, Mershon, Miller, Mitchell, Nett, Paxton, Peak, Pollitte, Prather, Priddy, Ray, Russell Reynolds, T. P. Reynolds, W. J. Reynolds, Rickert, Ruh, Salyers, Siemens, Wenz, Glenn White, Wible, Wyatt, Yocom. Nays 29—Baker, Bartley, Blythe, A. Brown, H. Brown, Bruce, J. Davis, W. Davis, DeMarcus, Durham, Floyd, L. Hardin, Huff, Kessinger, King, Knuckles, McKinney, Murphy, Osborne, Rattliff, Schmidt, Sharpe, Simmons, Stuart, Swinford, Van Horn, West, J. White, Wright.

HB 216 as amended was passed and the title agreed to.

Representative W. J. Reynolds moved that the vote by which **HB 216** as amended was passed be reconsidered and said motion be postponed indefinitely. Agreed.

Representative Carter moved to note the Committee Amendments filed with the Committee Report on **HB 157**. Agreed.

The Committee Amendment No. 1 to **HB 157** is as follows:

Amend printed copy of House Bill 157 on page 1, lines 4, 5, and 6, by:

striking the words *"twenty-five or more of the landowners within a district, or, if less than fifty landowners are in a district,"*

The Committee Amendment No. 2 to **HB 157** is as follows:

Amend printed copy of House Bill 157 on page 2, line 23, by:

striking the reference *"262.750"* and substituting therefor the reference *"262.725"*

The Committee Amendment No. 3 to **HB 157** is as follows:

Amend printed copy of House Bill 157 on page 3, line 2, by:

striking the words "a majority" and substituting therefor the words "two-thirds".

Representative Swinford requested that his name be added as co-sponsor of **HB 623.**

Representative Freeman moved that **HB 469** be taken from the Clerk's desk and placed at the end of Orders of the Day. Agreed.

Representative Haney requested that his name be added as co-sponsor of **HB 72.**

Representative Wible requested that his name be added as co-sponsor of **HB 147.**

Representative Kleier announced that he wished to vote "yea" on **HCR 83.**

Representative Blythe moved that **HB 524** be withdrawn from the House.

On the roll call the vote was yeas 86—Alexander, Allen, Arnett, Baker, Bleemel, Blume, Blythe, Archie Brown, Edward G. Brown, Hershel Brown, Bruce, Carter, Chapman, Clarke, James A. Davis, Walter Davis, Deskins, Dorris, Durham, Floyd, Graves, Haney, John O. Hardin, L. T. Hardin, Head, Hinkle, Holloway, Huff, Hughes, Isler, Keith, Kenton, Kessinger, Kidd, King, Kleier, Knuckles, Lewis, Lindsay, Louden, Lovins, McBrayer, McBride, McCann, McGill, McKinney, McNamara, Massey, May, Mershon, Miller, Mitchell, Osborne, Parish, Paxton, Peak, Pollitte, Prather, Priddy, Rattliff, Ray, Reed, Russell Reynolds, T. P. Reynolds, W. J. Reynolds, Rickert, Roberts, Ruh, Salyers, Schmidt, Sharpe, Siemens, Simmons, Stuart, Swinford, Tobin, Van Horn, Wells, Wenz, West, Wheeler, Glenn White, John E. White, Wible, Wright, Yocom. Nays 2—Conn, Wyatt.

The motion that **HB 524** be withdrawn from the House was adopted.

Representative McBrayer moved that **HB 65** be recommitted to the Committee on Counties and Special Districts. Agreed.

Representative Curlin moved that **SB 91** be referred to the Committee on Appropriations and Revenue. Agreed.

Orders of the Day

Representative McBrayer moved that consideration of **HB 225, HB 369, HB 436, HB 474, HB 437, HB 439, HB 577, HB 587** and **HB 452** be deferred and that they retain their position in Orders of the Day. Agreed.

Speaker Carroll resumed the Chair.

HB 147 taken from Orders of the Day and ordered read at length for the third time. Representative McBrayer moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

On the roll call the vote was yeas 82—Alexander, Allen, Arnett, Blandford, Bleemel, Blume, Blythe, Archie Brown, Edward G. Brown, Hershel Brown, Bruce, Carroll, Carter, Chapman, Clapp, Collins, Conn, James A. Davis, DeMarcus, Deskins, Donnermeyer, Durham, Floyd, Freeman, Graves, Haney, John O. Hardin, L. T. Hardin, Head, Hinkle, Huff, Hughes, Isler, Keith, Kenton, Kessinger, Kidd, King, Kleier, Knuckles, Lewis, Lindsay, Louden, McBrayer, McBride, McCann, McGill, McKinney, McNamara, May, Mershon, Miller, Murphy, Nett, Osborne, Parish, Paxton, Peak, Pollitte, Prather, Priddy, Ray, Reed, Russell Reynolds, T. P. Reynolds, W. J. Reynolds, Ruh, Salyers, Sharpe, Siemens, Tobin, Van Horn, Wells, Wenz, West, Wheeler, Glenn White, John E. White, Wible, Wright, Wyatt, Yocom. Nays 10—Baker, Bartley, Clarke, Curlin, Dorris, Keene, Lovins, Mitchell, Rickert, Swinford.

HB 147 was passed and the title agreed to.

Representative Kenton moved that the vote by which **HB 147** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

Report on Enrolled Bills

The Committee on Enrollment reported **HB 123, HB 114, HB 49, SB 30, SB 51, SB 59, SB 76, SB 116, SB 125, SB 151, SB 180, SB 206, SB 212** and **SB 265** had been examined and found correctly enrolled. **HB 123, HB 114, HB 49, SB 30, SB 51, SB 59, SB 76, SB 116, SB 125, SB 151, SB 180, SB 206, SB 212** and **SB 265** read at length, compared and signed in open session by the Speaker. Ordered delivered to the Senate.

HB 543 taken from Orders of the Day and ordered read at length for the third time. Representative Prather moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Peak moved that the floor amendment filed to **HB 543** be withdrawn. Agreed.

Representative Yocom moved that **HB 543** be laid on the table.

On the roll call the vote was yeas 21—Blandford, Hershel Brown, Clapp, Donnermeyer, Floyd, L. T. Hardin, Holloway, Hughes, Kessinger, King, Miller, Murphy, Parish, Priddy, Ray, Ruh, Sharpe, Siemens, Wenz, Wright, Yocom. Nays 50—Alexander, Allen, Arnett, Baker, Bleemel, Blume, Blythe, E. G. Brown, Carter, Chapman, Clarke, Conn, Curlin, J. Davis, W. Davis, Dorris, Graves, Haney, Hinkle, Huff, Isler, Keith, Kenton, Kleier, Knuckles, Lewis, Lovins, McBride, McCann, McGill, McNamara, Massey, Mitchell, Nett, Paxton, Peak, Pollitte, Reed, R. Reynolds, Rickert, Roberts, Salyers, Schmidt, Simmons, Tobin, Van Horn, Wheeler, G. White, Wible, Wyatt.

The motion that **HB 543** be laid on the table was rejected.

Representative Murphy moved that **HB 543** be laid on the Clerk's desk.

Representative Nett moved that the House recess for fifteen minutes.

On the roll call the vote was yeas 24—Baker, Bartley, James A. Davis, Donnermeyer, Durham, Freeman, L. T. Hardin, Huff, Hughes, Keith, Kessinger, King, Kleier, McGill, McKinney, McNamara, Murphy, Pollitte, Ray, Ruh, Sharpe, Wells, Wenz, Wright. Nays 45—Alexander, Blandford, Bleemel, Blume, Blythe, A. Brown, E. G. Brown, H. Brown, Carter, Conn, Dorris, Floyd, J. Hardin, Hinkle, Isler, Keene, Knuckles, Lewis, McBrayer, McBride, McCann, Massey, Mershon, Miller, Mitchell, Nett, Parish, Paxton, Peak, Priddy, R. Reynolds, T. Reynolds, Rickert, Roberts, Salyers, Schmidt, Siemens, Stuart, Tobin, Van Horn, West, Wheeler, J. White, Wible, Wyatt.

The motion that the House recess was rejected.

Representative Siemens moved that the House adjourn.

On the roll call the vote was yeas 3—Huff, Kessinger, Siemens. Nays 67—Allen, Arnett, Baker, Blandford, Bleemel, Blume, Blythe, A. Brown, H. Brown, Bruce, Carroll, Carter, Chapman,

Clarke, Collins, Conn, Curlin, J. Davis, W. Davis, Dorris, Floyd, Graves, J. Hardin, L. Hardin, Head, Hinkle, Isler, Keene, Keith, Kenton, Kidd, Knuckles, Lewis, Lindsay, Lovins, McBrayer, McBride, McCann, McGill, McNamara, Massey, Mershon, Miller, Mitchell, Nett, Osborne, Parish, Paxton, Peak, Rattliff, Ray, R. Reynolds, Rickert, Roberts, Salyers, Simmons, Stuart, Swinford, Tobin, Van Horn, Wenz, West, Wheeler, G. White, J. White, Wible, Wyatt.

The motion to adjourn was rejected.

The motion to lay **HB 543** on the Clerk's desk was rejected.

On the roll call the vote was yeas 43—Baker, Bleemel, Blume, Blythe, Carroll, Carter, Clarke, Conn, Curlin, DeMarcus, Dorris, Freeman, Graves, Haney, Hinkle, Keene, Kenton, Kleier, Lewis, Lindsay, Lovins, McBrayer, McBride, McCann, McGill, McNamara, Mitchell, Nett, Paxton, Peak, Prather, Reed, Russell Reynolds, W. J. Reynolds, Rickert, Roberts, Swinford, Tobin, Van Horn, Wheeler, Glenn White, Wible, Wyatt. Nays 26—Bartley, Blandford, A. Brown, H. Brown, Chapman, Clapp, Donnermeyer, Floyd, J. Hardin, L. Hardin, Holloway, Hughes, Isler, Kessinger, King, Mershon, Miller, Murphy, Osborne, Priddy, Ray, Ruh, Sharpe, Simmons, Wright, Yocom.

HB 543 was passed and the title agreed to.

Representative McBrayer moved that the vote by which **HB 543** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

Senate Message

Announcing passage of **HB 34, SB 127, SB 280, SB 341, SB 340.**

HB 258, with Committee Amendment attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative McBrayer moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Blythe moved the adoption of the Committee Amendment to **HB 258.**

On the roll call the vote was yeas 57—Alexander, Baker, Blandford, Bleemel, Blume, Blythe, Archie Brown, Edward G. Brown, Hershel Brown, Chapman, Clarke, Collins, Conn, James A. Davis, Walter Davis, DeMarcus, Dorris, Durham, Floyd, L. T. Hardin, Head, Huff, Isler, Keith, Kenton, King, Kleier, Lewis, Lindsay, McBride, McCann, McKinney, Massey, May, Mershon, Nett, Osborne, Parish, Paxton, Peak, Rattliff, Reed, Russell Reynolds, Rickert, Ruh, Schmidt, Siemens, Simmons, Stuart, Swinford, Tobin, West, Wheeler, John E. White, Wible, Wright, Wyatt. Nays 17—Allen, Arnett, Bruce, Clapp, Freeman, J. Hardin, Hinkle, Hughes, McBrayer, Mitchell, Murphy, T. Reynolds, W. J. Reynolds, Van Horn, Wenz, G. White, Yocom.

The Committee Amendment to **HB 258** was adopted.

Representative J. Hardin moved that **HB 258** as amended be laid on the table.

On the roll call the vote was yeas 33—Allen, Arnett, Blume, Bruce, Carter, Curlin, Deskins, Donnermeyer, Freeman, Graves, John O. Hardin, Hinkle, Hughes, Kleier, Lewis, Lovins, McBrayer, McCann, McNamara, May, Miller, Mitchell, Nett, Parish, Reed, T. P. Reynolds, W. J. Reynolds, Ruh, Salyers, Siemens, Van Horn, Wyatt, Yocom. Nays 40—Baker, Bartley, Bleemel, Blythe, A. Brown, H. Brown, Carroll, Chapman, Collins, Conn, J. Davis, W. Davis, DeMarcus, Dorris, Durham, L. Hardin, Holloway, Huff, Keith, Kessinger, King, McBride, McKinney, Murphy, Osborne, Paxton, Peak, Rattliff, R. Reynolds, Rickert, Schmidt, Sharpe, Simmons, Stuart, Swinford, West, Wheeler, J. White, Wible, Wright.

The motion that **HB 258** as amended be laid on the table was rejected.

On the roll call the vote was yeas 59—Alexander, Baker, Bartley, Blandford, Bleemel, Blythe, Archie Brown, Hershel Brown, Carter, Chapman, Clapp, Clarke, Collins, Conn, Curlin, James A. Davis, Walter Davis, DeMarcus, Durham, Floyd, L. T. Hardin, Head, Holloway, Isler, Keene, Keith, Kenton, Kessinger, Kidd, King, Lewis, Louden, McBride, McCann, McKinney, Mershon, Murphy, Osborne, Peak, Prather, Rattliff, Ray, Reed, Russell Reynolds, Rickert, Roberts, Ruh, Schmidt, Sharpe, Siemens, Simmons, Stuart, Swinford, Tobin, Wenz, West,

Wheeler, John E. White, Wible. Nays 20—Allen, Arnett, Bruce, Dorris, Freeman, Graves, J. Hardin, Hinkle, Hughes, Lovins, McBrayer, May, Miller, Parish, Paxton, Pollitte, T. Reynolds, W. J. Reynolds, Salyers, Van Horn.

HB 258 as amended was passed.

Representative Blythe moved the adoption of the following title Amendment to **HB 258:**

Amend printed copy of House Bill 258 Title on page 1, by: amending the title to read:

"AN ACT creating the Governor's Council of Economic Advisors."

Agreed.

Representative Blythe moved that the vote by which **HB 258** as amended was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 321 taken from Orders of the Day and ordered read at length for the third time. Representative McBrayer moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

On the roll call the vote was yeas 74—Alexander, Allen, Baker, Bartley, Blandford, Bleemel, Edward G. Brown, Hershel Brown, Carroll, Carter, Chapman, Clarke, Collins, Conn, Curlin DeMarcus Deskins, Donnermeyer, Dorris, Durham, Floyd, Graves, Haney, Head, Hinkle, Holloway, Isler, Keene, Kenton, Kessinger, Kidd, King, Kleier, Lewis, Louden, Lovins, McBrayer, McBride, McCann, McKinney, McNamara, May, Mershon, Miller, Mitchell, Nett, Osborne, Parish, Paxton, Peak, Pollitte, Prather, Priddy, Rattliff, Ray, Reed, Russell Reynolds, Rickert, Roberts, Ruh, Salyers, Schmidt, Siemens, Simmons, Stuart, Swinford, Tobin, Van Horn, Wenz, West, Wheeler, Glenn White, Wible, Wyatt. Nays—0.

HB 321 was passed and the title agreed to.

Representative Ray moved that the vote by which **HB 321** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

Representative McBrayer moved that consideration of **HB**

287 be deferred and that it retain its position in Orders of the Day. Agreed.

HB 611, with Committee Amendment attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative McBrayer moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Kenton moved the adoption of the Committee Amendment to **HB 611. Agreed.**

On the roll call the vote was yeas 79—Allen, Arnett, Baker, Blandford, Bleemel, Blume, Archie Brown, Hershel Brown, Carroll, Carter, Chapman, Conn, Curlin, James A. Davis, DeMarcus, Deskins, Donnermeyer, Dorris, Durham, Floyd, Graves, Haney, L. T. Hardin, Head, Hinkle, Holloway, Isler, Keene, Keith, Kenton, Kessinger, Kidd, King, Kleier, Lewis, Lindsay, Louden, Lovins, McBrayer, McBride, McCann, McKinney, McNamara, Massey, May, Mershon, Miller, Mitchell, Nett, Osborne, Parish, Paxton, Peak, Pollitte, Prather, Priddy, Rattliff, Ray, Reed, Russell Reynolds, Rickert, Roberts, Ruh, Salyers, Schmidt, Siemens, Simmons, Stuart, Swinford, Tobin, Van Horn, Wenz, West, Wheeler, Glenn White, John E. White, Wible, Wright, Wyatt. Nays 3—Bartley, Bruce, Sharpe.

HB 611 as amended was passed and the title agreed to.

Representative Kenton moved that the vote by which **HB 611** as amended was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 612 taken from Orders of the Day and ordered read at length for the third time. Representative McBrayer moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

On the roll call the vote was yeas 79—Allen, Arnett, Baker, Blandford, Bleemel, Blythe, Archie Brown, Edward G. Brown, Hershel Brown, Carroll, Carter, Chapman, Clarke, Conn, Curlin, Walter Davis, DeMarcus, Donnermeyer, Dorris, Durham, Floyd, Freeman, Graves, Haney, Head, Hinkle, Holloway, Hughes, Isler, Keene, Keith, Kenton, Kessinger, Kidd, King, Kleier, Lewis, Lindsay, Louden, Lovins, McBrayer, McBride, McCann, Mc-

Kinney, McNamara, May, Mershon, Miller, Mitchell, Nett, Osborne, Parish, Paxton, Peak, Pollitte, Prather, Priddy, Rattliff, Ray, Reed, T. P. Reynolds, Rickert, Roberts, Ruh, Salyers, Schmidt, Siemens, Simmons, Stuart, Swinford, Tobin, Van Horn, Wells, Wenz, Glenn White, John E. White, Wible, Wright, Wyatt. Nays 2—Bartley, Sharpe.

HB 612 was passed and the title agreed to.

Representative McBrayer moved that the vote by which **HB 612** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 613 taken from Orders of the Day and ordered read at length for the third time. Representative McBrayer moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

On the roll call the vote was yeas 66—Allen, Arnett, Baker, Blandford, Bleemel, Carroll, Chapman, Clarke, Conn, Curlin, James A. Davis, DeMarcus, Deskins, Donnermeyer, Dorris, Floyd, Graves, Haney, Head, Hinkle, Holloway, Hughes, Isler, Keene, Keith, Kenton, Kidd, Kleier, Lewis, Lindsay, Louden, McBrayer, McBride, McCann, McKinney, McNamara, May, Mershon, Miller, Mitchell, Nett, Osborne, Parish, Paxton, Prather, Priddy, Ray, Reed, W. J. Reynolds, Ruh, Salyers, Schmidt, Siemens, Simmons, Stuart, Swinford, Tobin, Van Horn, Wenz, West, Wheeler, Glenn White, John E. White, Wible, Wright, Wyatt. Nays 12—Bartley, A. Brown, H. Brown, Bruce, Carter, Durham, Kessinger, King, Lovins, Rickert, Roberts, Sharpe.

HB 613 was passed and the title agreed to.

Representative Kenton moved that the vote by which **HB 613** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 615 taken from Orders of the Day and ordered read at length for the third time. Representative E. G. Brown moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

On the roll call the vote was yeas 70—Arnett, Baker, Blandford, Bleemel, Edward G. Brown, Hershel Brown, Carroll, Carter, Chapman, Clarke, Conn, Curlin, James A. Davis, Deskins, Don-

nermeyer, Dorris, Floyd, Freeman, Graves, Haney, John O. Hardin, Head, Hinkle, Holloway, Hughes, Isler, Keene, Keith, Kenton, Kessinger, Kidd, King, Lewis, Lindsay, Lovins, McBrayer, McBride, McCann, McKinney, McNamara, May, Mershon, Mitchell, Murphy, Nett, Osborne, Parish, Paxton, Peak, Pollitte, Ray, Reed, W. J. Reynolds, Rickert, Roberts, Ruh, Schmidt, Siemens, Simmons, Stuart, Swinford, Tobin, Van Horn, Wenz, West, Wheeler, Glenn White, John E. White, Wible, Wyatt. Nays 2—Bartley, Sharpe.

HB 615 was passed and title agreed to.

Representative Kenton moved that the vote by which **HB 615** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 616 taken from Orders of the Day and ordered read at length for the third time. Representative McBrayer moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Kenton moved the adoption of the following Amendment to **HB 616:**

Amend printed copy of House Bill 616 on page 4, line 6, by: deleting the words "no loans"

and by deleting all words on lines 7 through 10 inclusive. Agreed.

On the roll call the vote was yeas 33—Arnett, Blandford, Blythe,Bruce Chapman, Conn, James A. Davis, DeMarcus, Donermeyer, Graves, John O. Hardin, Isler, Kenton, Kidd, Knuckles, Lewis, Louden, McBrayer, Massey, Mershon, Mitchell, Murphy, Nett, Peak, Reed, Russell Reynolds, W. J. Reynolds, Ruh, Swinford, Wenz, Wheeler, Wible, Wyatt. Nays 47—Allen, Baker, Bartley, Bleemel, A. Brown, E. G. Brown, H. Brown, Carter, Clarke, Collins, W. Davis, Deskins, Dorris, Durham, Floyd, Haney, Head, Hinkle, Holloway, Hughes, Keith, Kessinger, King, Lindsay, Lovins, McBride, McCann, McNamara, May, Osborne, Parish, Paxton, Prather, Priddy, Rattliff, Ray, T. Reynolds, Rickert, Roberts, Salyers, Sharpe, Siemens, Simmons, Van Horn, West, G. White, Wright.

HB 616 as amended was defeated.

Report on Enrolled Bills

The Committee on Enrollment reported **HB 34** had been examined and found correctly enrolled. **HB 34** read at length, compared and signed in open session by the Speaker. Ordered delivered to the Senate.

Orders of the Day (Continued)

HB 623 taken from Orders of the Day and ordered read at length for the third time. Representative McBrayer moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

On the roll call the vote was yeas 91—Allen, Arnett, Baker, Bartley, Blandford, Bleemel, Blume, Blythe, Archie Brown, Edward G. Brown, Hershel Brown, Bruce, Carroll, Carter, Chapman, Clarke, Collins, Conn, Curlin, James A. Davis, Walter Davis, DeMarcus, Deskins, Donnermeyer, Dorris, Durham, Floyd, Freeman, Graves, Haney, John O. Hardin, L. T. Hardin, Head, Hinkle, Holloway, Hughes, Isler, Keene, Keith, Kessinger, Kidd, King, Knuckles, Lewis, Lindsay, Louden, Lovins, McBrayer, McBride, McCann, McKinney, McNamara, Massey, May, Mershon, Miller, Mitchell, Murphy, Nett, Osborne, Parish, Paxton, Peak, Prather, Priddy, Rattliff, Ray, Reed, Russell Reynolds, T. P. Reynolds, W. J. Reynolds, Rickert, Roberts, Ruh, Salyers, Schmidt, Sharpe, Siemens, Simmons, Swinford, Tobin, Van Horn, Wells, Wenz, West, Wheeler, Glenn White, John E. White, Wible, Wright, Wyatt. Nays 0.

HB 623 was passed and the title agreed to.

Representative McBrayer moved that the vote by which **HB 623** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

Representative Blume announced he wished to vote "yea" on **HB 321.**

HJR 65 taken from Orders of the Day and ordered read at length for the third time. Representative McBrayer moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

On the roll call the vote was yeas 83—Allen, Arnett, Baker, Bartley, Blandford, Bleemel, Blume, Archie Brown, Edward G. Brown, Hershel Brown, Bruce, Carter, Chapman, Collins, Curlin, James A. Davis, Walter Davis, DeMarcus, Deskins, Donnermeyer, Dorris, Durham, Floyd, Freeman, Graves, Haney, L. T. Hardin, Head, Hinkle, Holloway, Hughes, Isler, Keene, Keith, Kenton, Kidd, King, Knuckles, Lewis, Lindsay, Louden, McBrayer, McCann, McKinney, McNamara, Massey, May, Mershon, Miller, Mitchell, Murphy, Nett, Osborne, Parish, Paxton, Peak, Pollitte, Prather, Priddy, Rattliff, Reed, Russell Reynolds, T. P. Reynolds, W. J. Reynolds, Rickert, Roberts, Ruh, Salyers, Schmidt, Sharpe, Siemens, Simmons, Stuart, Swinford, Tobin, Van Horn, Wenz, West, Glenn White, John E. White, Wible, Wright, Wyatt. Nays 0.

HJR 65 was passed and the title agreed to.

Representative McBrayer moved that the vote by which **HJR 65** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HCR 70 taken from Orders of the Day and ordered read at length for the third time. Representative McBrayer moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

On the roll call the vote was yeas 66—Allen, Arnett, Baker, Bleemel, Archie Brown, Hershel Brown, Carroll, Carter, Chapman, Clarke, Collins, Curlin, James A. Davis, Walter Davis, DeMarcus, Deskins, Donnermeyer, Dorris, Freeman, Graves, Haney, Head, Hinkle, Holloway, Isler, Keene, Keith, Kenton, Kessinger, Kidd, King, Knuckles, Louden, McBride, McCann, McKinney, McNamara, May, Mershon, Miller, Mitchell, Murphy, Nett, Osborne, Peak, Pollitte, Prather, Priddy, Reed, Russell Reynolds, W. J. Reynolds, Rickert, Roberts, Ruh, Salyers, Siemens, Stuart, Swinford, Tobin, Van Horn, Wenz, West, John E. White, Wible, Wright, Wyatt. Nays 4—Blandford, Lewis, Paxton, Simmons.

HCR 70 was passed and the title agreed to.

Representative McBrayer moved that the vote by which **HCR 70** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

SB 176 taken from Orders of the Day and ordered read at length for the third time. Representative McBrayer moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

On the roll call the vote was yeas 86—Allen, Arnett, Baker, Bartley, Blandford, Bleemel, Blume, Blythe, Archie Brown, Edward G. Brown, Hershel Brown, Carroll, Carter, Chapman, Clarke, Collins, Curlin, James A. Davis, Walter Davis, DeMarcus, Deskins, Donnermeyer, Dorris, Durham, Floyd, Graves, Haney, L. T. Hardin, Head, Hinkle, Holloway, Hughes, Isler, Keene, Keith, Kenton, Kessinger, Kidd, King, Knuckles, Lewis, Lovins, McBrayer, McBride, McCann, McKinney, McNamara, Massey, May, Mershon, Miller, Mitchell, Murphy, Nett, Osborne, Parish, Paxton, Peak, Prather, Priddy, Rattliff, Ray, Reed, Russell Reynolds, T. P. Reynolds, W. J. Reynolds, Rickert, Roberts, Ruh, Salyers, Schmidt, Sharpe, Siemens, Simmons, Stuart, Swinford, Tobin, Van Horn, Wenz, West, Wheeler, Glenn White, John E. White, Wible, Wright, Wyatt. Nays 0.

SB 176 was passed and the title agreed to.

Representative McBrayer moved that the vote by which **SB 176** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

SB 208 taken from Orders of the Day and ordered read at length for the third time. Representative McBrayer moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

On the roll call the vote was yeas 87—Allen, Arnett, Baker, Bartley, Blandford, Bleemel, Blume, Blythe, Archie Brown, Edward G. Brown, Hershel Brown, Bruce, Carroll, Carter, Chapman, Clarke, Collins, Curlin, James A. Davis, Walter Davis, DeMarcus, Deskins, Donnermeyer, Dorris, Durham, Floyd, Freeman, Graves, Haney, L. T. Hardin, Head, Hinkle, Holloway, Hughes, Isler, Keene, Keith, Kenton, Kessinger, Kidd, King, Knuckles, Lewis, Lindsay, Louden, Lovins, McBrayer, McBride, McCann, McKinney, McNamara, Massey, May, Mershon, Miller, Mitchell, Nett, Osborne, Parish, Paxton, Peak, Pollitte, Prather, Priddy, Rattliff, Reed, Russell Reynolds, T. P. Reynolds, W. J. Reynolds, Rickert, Roberts, Ruh, Salyers, Schmidt, Sharpe, Sie-

mens, Simmons, Swinford, Tobin, Van Horn, Wenz, West, Wheeler, Glenn White, John E. White, Wible, Wyatt. Nays 0.

SB 208 was passed and the title agreed to.

Representative McBrayer moved that the vote by which **SB 208** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 659 taken from Orders of the Day and ordered read at length for the third time. Representative McBrayer moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Baker moved the adoption of the following Amendment to **HB 659:**

Amend printed copy of House Bill 659 on page 10, below line 12, by adding the following:

"Section 3. Whereas, it is important that the legal disputes which will be resolved by this Act be settled as soon as possible, an emergency is declared to exist and this Act shall take effect on its passage and approval by the Governor."

Agreed.

On the roll call the vote was yeas 71—Allen, Arnett, Baker, Bartley, Blandford, Bleemel, Blume, Blythe, Archie Brown, Edward G. Brown, Bruce, Carroll, Carter, Chapman, Clarke, Collins, Conn, Curlin, James A. Davis, Walter Davis, DeMarcus, Deskins, Dorris, Durham, Freeman, Haney, L. T. Hardin, Head, Hinkle, Hughes, Isler, Keene, Keith, Kenton, Kidd, King, Kleier, Lewis, Lindsay, Lovins, McBrayer, McCann, McKinney, Massey, May, Mitchell, Nett, Osborne, Parish, Paxton, Prather, Priddy, Rattliff, Reed, Russell Reynolds, T. P. Reynolds, W. J. Reynolds, Rickert, Ruh, Salyers, Schmidt, Sharpe, Simmons, Swinford, Tobin, Van Horn, Wenz, West, Wheeler, Wible, Wyatt. Nays 3—H. Brown, Graves, McBride.

HB 659 as amended was passed and the title agreed to.

Representative McBrayer moved that the vote by which **HB 659** as amended was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 344 taken from Orders of the Day and ordered read at

length for the third time. Representative McBrayer moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

On the roll call the vote was yeas 80—Allen, Arnett, Baker, Bartley, Blandford, Bleemel, Blume, Blythe, Archie Brown, Edward G. Brown, Hershel Brown, Bruce, Carter, Chapman, Clarke, Collins, Conn, Curlin, Walter Davis, DeMarcus, Deskins, Donnermeyer, Dorris, Durham, Floyd, Graves, L. T. Hardin, Head, Hinkle, Holloway, Hughes, Isler, Keene, Keith, Kenton, Kessinger, Kidd, King, Knuckles, Lewis, Lindsay, Louden, Lovins, McBrayer, McBride, McCann, Massey, May, Mershon, Miller, Mitchell, Nett, Osborne, Parish, Paxton, Peak, Prather, Priddy, Rattliff, Ray, Reed, Russell Reynolds, W. J. Reynolds, Rickert, Roberts, Ruh, Salyers, Schmidt, Sharpe, Simmons, Swinford, Tobin, Van Horn, Wenz, West, Wheeler, Glenn White, John E. White, Wible, Wyatt. Nays 1—McKinney.

HB 344 was passed and the title agreed to.

Representative McBrayer moved that the vote by which **HB 344** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 373 taken from Orders of the Day and ordered read at length for the third time. Representative McBrayer moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

On the roll call the vote was yeas 84—Allen, Arnett, Baker, Blandford, Bleemel, Blume, Blythe, Archie Brown, Edward G. Brown, Hershel Brown, Carter, Chapman, Clarke, Collins, Conn, Curlin, James A. Davis, Walter Davis, DeMarcus, Deskins, Donnermeyer, Durham, Floyd, Freeman, Graves, Haney, John O. Hardin, L. T. Hardin, Head, Hinkle, Holloway, Hughes, Isler, Keene, Keith, Kenton, Kessinger, Kidd, King, Knuckles, Lewis, Lindsay, Louden, Lovins, McBrayer, McBride, McCann, McKinney, McNamara, Massey, May, Mershon, Mitchell, Nett, Osborne, Parish, Paxton, Peak, Pollitte, Prather, Priddy, Rattliff, Reed, Russell Reynolds, T. P. Reynolds, W. J. Reynolds, Rickert, Roberts, Ruh, Salyers, Schmidt, Sharpe, Simmons, Stuart, Swinford, Tobin, Van Horn, Wenz, West, Wheeler, Glenn White, John E. White, Wible, Wyatt. Nays 0.

HB 373 was passed and the title agreed to.

Representative McBrayer moved that the vote by which **HB 373** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 374 taken from Orders of the Day and ordered read at length for the third time. Representative McBrayer moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

On the roll call the vote was yeas 83—Allen, Arnett, Baker, Blandford, Bleemel, Blume, Blythe, Archie Brown, Edward G. Brown, Hershel Brown, Bruce, Carter, Chapman, Clarke, Collins, Conn, Curlin, Walter Davis, DeMarcus, Deskins, Donnermeyer, Dorris, Durham, Floyd, Freeman, Graves, Haney, John O. Hardin, L. T. Hardin, Head, Hinkle, Holloway, Hughes, Isler, Keene, Keith, Kenton, Kessinger, Kidd, King, Knuckles, Lewis, Lindsay, Louden, Lovins, McBrayer, McBride, McCann, McKinney, McNamara, Massey, May, Mershon, Mitchell, Nett, Osborne, Parish, Paxton, Peak, Pollitte, Priddy, Rattliff, Ray, Reed, Russell Reynolds, T. P. Reynolds, W. J. Reynolds, Rickert, Roberts, Salyers, Schmidt, Sharpe, Simmons, Swinford, Tobin, Van Horn, Wenz, West, Wheeler, Glenn White, John E. White, Wible, Wyatt. Nays 0.

HB 374 was passed and the title agreed to.

Representative McBrayer moved that the vote by which **HB 374** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

Representative DeMarcus moved that consideration of **HB 375** be deferred and that it retain its position in Orders of the Day. Agreed.

HB 378, with Committee Amendment attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative McBrayer moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative DeMarcus moved the adoption of the Committee Amendment No. 1 to **HB 378.** Agreed.

Representative DeMarcus moved the adoption of the Committee Amendment No. 2 to **HB 378.** Agreed.

On the roll call the vote was yeas 79—Allen, Baker, Bartley, Blandford, Bleemel, Blythe, Archie Brown, Edward G. Brown, Hershel Brown, Bruce, Carter, Chapman, Clarke, Collins, Conn, Curlin, Walter Davis, DeMarcus, Deskins, Donneremyer, Dorris, Durham, Floyd, Freeman, Graves, Haney, John O. Hardin, L. T. Hardin, Head, Hinkle, Holloway, Keene, Keith, Kenton, Kessinger, Kidd, King, Knuckles, Lewis, Lindsay, Louden, McBrayer, McBride, McKinney, McNamara, Massey, May, Mershon, Mitchell, Murphy, Nett, Osborne, Parish, Paxton, Peak, Pollitte, Prather, Priddy, Rattliff, Ray, Reed, Russell Reynolds, T. P. Reynolds, W. J. Reynolds, Roberts, Ruh, Schmidt, Sharpe, Simmons, Swinford, Tobin, Van Horn, West, Wheeler, Glenn White, John E. White, Wible, Wyatt, Yocom. Nays 4—Arnett, Kleier, Lovins, Wenz.

HB 378 as amended was passed and the title agreed to.

Representative DeMarcus moved that the vote by which **HB 378** as amended was passed be reconsidered and said motion be postponed indefinitely. Agreed.

Representative McBrayer moved that consideration of **HB 233** be deferred and that it retain its position in Orders of the Day. Agreed.

HB 590, by way of Committee Substitute, taken from Orders of the Day and ordered read at length for the third time. Representative McBrayer moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative DeMarcus moved the adoption of the Committee Substitute for **HB 590.** Agreed.

On the roll call the vote was yeas 84—Allen, Arnett, Baker, Bartley, Blandford, Bleemel, Blythe, Archie Brown, Edward G. Brown, Hershel Brown, Carter, Chapman, Clarke, Collins, Conn, Curlin, James A. Davis, Walter Davis, DeMarcus, Deskins, Donnermeyer, Dorris, Durham, Floyd, Freeman, Graves, Haney, John O. Hardin, L. T. Hardin, Head, Hinkle, Holloway, Hughes, Keene, Keith, Kenton, Kessinger, Kidd, King, Kleier, Knuckles,

Lewis, Lindsay, Lovins, McBrayer, McBride, McCann, McKinney, McNamara, Massey, May, Mitchell, Murphy, Nett, Osborne, Parish, Paxton, Pollitte, Prather, Priddy, Rattliff, Ray, Reed, Russell Reynolds, T. P. Reynolds, W. J. Reynolds, Rickert, Roberts, Ruh, Salyers, Schmidt, Sharpe, Simmons, Swinford, Tobin, Van Horn, Wenz, West, Wheeler, Glenn White, John E. White, Wible, Wyatt, Yocom. Nays 0.

HB 590, by way of Committee Substitute, was passed and the title agreed to.

Representative McBrayer moved that the vote by which **HB 590,** by way of Committee Substitute, was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 638 taken from Orders of the Day and ordered read at length for the third time. Representative McBrayer moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

On the roll call the vote was yeas 73—Allen, Bartley, Blandford, Blume, Blythe, Archie Brown, Edward G. Brown, Hershel Brown, Bruce, Carter, Chapman, Clarke, Collins, Conn, Curlin, Walter Davis, DeMarcus, Deskins, Donnermeyer, Dorris, Durham, Floyd, Freeman, Graves, Haney, John O. Hardin, L. T. Hardin, Head, Hinkle, Isler, Keene, Keith, Kenton, Kidd, Kleier, Knuckles, Lewis, Lindsay, McBrayer, McBride, McCann, McKinney, McNamara, Massey, May, Mershon, Mitchell, Nett, Osborne, Parish, Paxton, Peak, Pollitte, Prather, Rattliff, Reed, Russell Reynolds, T. P. Reynolds, W. J. Reynolds, Rickert, Schmidt, Sharpe, Simmons, Swinford, Tobin, Van Horn, Wenz, West, Wheeler, Glenn White, Wible, Wyatt, Yocom. Nays 5—Arnett, King, Lovins, Ray, Salyers.

HB 638 was passed and the title agreed to.

Representative McBrayer moved that the vote by which **HB 638** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 469 taken from Orders of the Day and ordered read at length for the third time. Representative McBrayer moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Freeman moved the adoption of the following Amendment to **HB 469:**

Amend printed copy of House Bill 469 on page 1, lines 12 and 13, by changing the lines to read as follows:

"(2) If the chief executive officer requests the establishment of the branch registration office, then he shall make the request no later than one"

Agreed.

On the roll call the vote was yeas 74—Allen, Arnett, Bartley, Blandford, Blythe. Edward G. Brown, Hershel Brown, Bruce, Carroll, Carter, Chapman, Clarke, Collins, Conn, Curlin, Deskins, Donnermeyer, Dorris, Durham, Floyd, Freeman, Graves, John O. Hardin, Head. Hinkle, Holloway, Hughes, Isler, Keene, Keith, Kenton, Kidd, Kleier, Knuckles, Lewis, Lindsay, Louden, Lovins, McBride, McCann, McKinney, McNamara, Massey, May, Mershon, Miller, Mitchell, Nett, Osborne, Parish, Paxton, Peak, Pollitte, Prather, Priddy, Rattliff, Ray, Reed, Russell Reynolds, T. P. Reynolds, W. J. Reynolds, Rickert, Sharpe, Simmons, Swinford, Tobin, Van Horn, Wenz, West, Wheeler, Glenn White, Wible, Wright, Wyatt. Nays 0.

HB 469 as amended was passed and the title agreed to.

Representative McBrayer moved that the vote by which **HB 469** as amended was passed be reconsidered and said motion be postponed indefinitely. Agreed.

Representative McBrayer moved that the Rules be suspended to return to Introduction of Bills and Resolutions and Report of Committees. Agreed.

Introduction of Bills and Resolutions (Continued)

HB 735, by Representative Salyers: AN ACT relating to publication of financial statements.

HB 736, by Representative Freeman: AN ACT relating to real estate brokers and salesmen.

HB 737, by Representatives McBrayer and Mitchell: AN ACT relating to business and consumer protection.

HB 738, by Representative Van Horn: AN ACT relating to motor vehicle operators licenses.

HR 98, by Representative Nett: A RESOLUTION commending the Kentucky Young Historians' Association.

HR 99, by Representatives Kenton, Arnett, Hinkle, Haney, Freeman, Allen, Deskins, L. T. Hardin, May, Salyers, T. P. Reynolds, McNamara, Wenz, G. White, Chapman, R. Reynolds, Wheeler, McBrayer, Wright, W. J. Reynolds and Pollitte: A RESOLUTION requesting agencies of state government to develop the eastern Kentucky area.

HR 100, by Representatives Baker and J. O. Hardin: A RESOLUTION honoring the Frankfort Semester Program.

HR 101, by Representatives Kleier, Keene and Nett: A RESOLUTION directing the Legislative Research Commission to include in its study of education a study of the relationship of private education to public education.

Report of Committees (Continued)

The Committee on Judiciary reported **HB 489** with Committee Amendment attached thereto, **HB 569** with Committee Amendment attached thereto, **HB 624** and **HB 639** with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 489, AN ACT relating to alcoholic beverage control.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Section 243.560 of the Kentucky Revised Statutes is amended to read as follows:

(1) Any order of the board refusing, revoking or suspending a license may be appealed from by the applicant or licensee, and any order of the board granting or refusing to revoke or suspend a license may be appealed from by any citizen feeling himself aggrieved,

(2) The person aggrieved may, within ten days after the entry of the order with which he is dissatisfied, file in *either* the office of the clerk of the Franklin circuit court, *or of the circuit court for the county in which the premises for which a license has been applied for is located, or in the case of an existing license the circuit court for the county in which the licensed premises is located,* an attested copy of the order, of all the evidence heard, and of all the steps taken by the board relative to the contested order, but shall first post a bond to secure the costs of that action, in a sum approved by the circuit clerk, with a corporate surety approved by the *Department* [Division] of Insurance [of the Department of Business Regulation] as to solvency and responsibility and authorized to transact business in this state.

(3) The board and the licensee or applicant shall be necessary parties to such appeals. The circuit court clerk shall docket the case as though it were a petition in equity, and shall immediately issue a summons for the board, if the appeal is taken by an applicant or licensee, or a summons for the board and the licensee, if the appeal is prosecuted by a citizen. The summons shall be returnable in the same manner as summons in equity cases. If the appeal is from an order refusing, revoking or suspending a license, the board, when served with the summons, or such person as the board may designate, shall appear and defend the action of the board in refusing, revoking or suspending the license in question. If the appeal is from an order granting or refusing to revoke or suspend a license the burden of appearing and defending the action of the board shall be upon the licensee.

(4) No formal pleading shall be required in appeals from orders of the board.

Section 2. Section 243.570 of the Kentucky Revised Statutes is amended to read as follows:

(1) The case shall be set down by the court for as early a day as possible for a hearing, and shall in all respects be expedited in the same manner as a declaratory judgment suit.

(2) No new or additional evidence shall be introduced in the Franklin circuit court except as to the fraud or misconduct of some party engaged in the administration of this chapter and affecting the order appealed from, but the court shall otherwise

hear the case upon the record as attested by the board, and shall in all respects dispose of the appeal in a summary manner. Its review shall be limited to *the record compiled before the board but all questions of law or fact put in issue before the board shall be proper subjects of review by the circuit court upon an appeal to that court.* [determining whether or not:]

[(a) The board acted without or in excess of its powers;]

[(b) The order appealed from was procured by fraud;]

[(c) If questions of fact are in issue, whether or not any substantial evidence supports the order appealed from.]

(3) After such a hearing the court shall enter a judgment sustaining or setting aside the order of the board appealed from.

(4) If the appeal is from an order of the board refusing, revoking or suspending a license, the costs shall be taxed against the applicant or licensee in any event. If the appeal is from an order issuing or refusing to revoke or suspend a license, the costs shall be taxed against the citizen who, feeling himself aggrieved, has contested the order, if the order of the board issuing or refusing to revoke or suspend the license is sustained. If the order is set aside with direction to the board to refuse, revoke or suspend the license, the costs shall be taxed against the licensee.

The Committee Amendment to HB 489 is as follows:

Amend printed copy of House Bill 489 on page 3, lines 3 & 8 through 15, by:

On line 3, by deleting, by bracketing, the word "Franklin" and on lines 8 through 11 following the word "to" deleting the words "the record compiled before the board but all questions of law or fact put in issue before the board shall be proper subjects of review by the circuit court upon an appeal to that court"

and on line 11 by inserting the words *"determining whether or not;"* by removing the bracketing thereon

and on line 12 by inserting the words:

"(a) The board acted without or in excess of its powers;" by deleting the brackets thereon

and on line 13 by inserting the words:

"(b) The order appealed from was procured by fraud;" by deleting the brackets thereon

and on lines 14 and 15 by inserting the words:

"(c) If questions of fact are in issue, whether or not any substantial evidence supports the order appealed from." by removing the brackets thereon.

HB 569, AN ACT relating to teachers.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. A new section of Chapter 161 of the Kentucky Revised Statutes is created to read as follows:

Each district board of education may allow to any teacher in its common school system the teacher's regular salary, upon a per diem basis, for each day, or portion thereof, that the teacher serves as a juror in any state or federal court.

The Committee Amendment to **HB 569** is as follows:

Amend printed copy of House Bill 569 on page 1, line 4, by: inserting, following the word "salary," the words "less any sum paid for services as a juror,"

HB 624, AN ACT relating to civil rights.

WHEREAS, the Federal Civil Rights Act of 1964 prohibits discrimination in employment practices based upon sex as well as race, color, religion or national origin; and

WHEREAS, the stated purpose of the Kentucky Civil Rights Act of 1966 is to provide for execution within the state of the policies embodied in the Federal Civil Rights Act of 1964; and

WHEREAS, the Kentucky Civil Rights Act of 1966 failed to prohibit discrimination in any area because of sex but limited prohibited discrimination based on race, color, religion or national origin; and

WHEREAS, it is fitting and proper that discrimination in any form based upon a person's sex should not be tolerated and should be prohibited;

NOW, THEREFORE,

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Section 344.010 of the Kentucky Revised Statutes is amended to read as follows:

In this chapter:

(1) "Person" includes one or more individuals, labor unions, joint apprenticeship committees, partnerships, associations, corporations, legal representatives, mutual companies, joint-stock companies, trusts, unincorporated organizations, trustees, trustees in bankruptcy, receivers, or other legal or commercial entity; the state, any of its political or civil subdivisions or agencies.

(2) "Commission" means the Kentucky Commission on Human Rights.

(3) "Commissioner" means a member of the commission.

(4) "Discrimination" means any direct or indirect act or practice of exclusion, distinction, restriction, segregation, limitation, refusal, denial or any other act or practice of differentiation or preference in the treatment of a person or persons because of race, color, religion, *sex,* or national origin, or the aiding, abetting, inciting, coercing or compelling thereof.

(5) "Real property" includes buildings, structures, real estate, lands, tenements, leaseholds, cooperatives, condominiums, and hereditaments, corporeal and incorporeal, or any interest in the above.

(6) "Housing accommodation" includes improved and unimproved property and means a building, structure, lot or part thereof which is used or occupied, or is intended, arranged or designed to be used or occupied as the home or residence of one or more individuals.

(7) "Real estate operator" means any individual or combination of individuals, labor unions, joint apprenticeship committees, partnerships, associations, corporations, legal representatives, mutual companies, joint-stock companies, trusts, unincorporated organizations, trustees in bankruptcy, receivers or other legal or commercial entity, the county or any of its agencies, that is engaged in the business of selling, purchasing, exchanging,

renting or leasing real estate, or the improvement thereon, including options, or that derives income, in whole or in part, from the sale, purchase, exchange, rental or lease of real estate; or an individual employed by or acting on behalf of any of these.

(8) "Real estate broker" or "real estate salesman" means an individual, whether licensed or not, who, on behalf of others, for a fee, commission, salary, or other valuable consideration, or who with the intention or expectation of receiving or collecting the same, lists, sells, purchases, exchanges, rents or leases real estate, or the improvements thereon, including options, or who negotiates or attempts to negotiate on behalf of others such an activity; or who advertises or holds himself out as engaged in such activities; or who negotiates or attempts to negotiate on behalf of others a loan secured by mortgage or other encumbrance, upon a transfer of real estate, or who is engaged in the business of charging an advance fee or contracting for collection of a fee in connection with a contract whereby he undertakes to promote the sale, purchase, exchange, rental, or lease of real estate through its listing in a publication issued primarily for such purpose; or an individual employed by or acting on behalf of any of these.

(9) "Financial institution" means bank, banking organization, mortgage company, insurance company, or other lender to whom application is made for financial assistance for the purchase, lease, acquisition, construction, rehabilitation, repair, maintenance, or improvement of real property, or an individual employed by or acting on behalf of any of these.

Section 2. Section 344.020 of the Kentucky Revised Statutes is amended to read as follows:

(1) The general purposes of this chapter are:

(a) To provide for execution within the state of the policies embodied in the Federal Civil Rights Act of 1964 (78 Stat. 241);

(b) To safeguard all individuals within the state from discrimination because of race, color, religion, *sex*, and national origin in connection with employment, public accommodations and real estate transactions; thereby to protect their interest in personal dignity and freedom from humiliation in places of public accommodation and in real estate transactions, to make available

to the state their full productive capacities in employment, to secure the state against domestic strife and unrest which would menace its democratic institutions, to preserve the public safety, health and general welfare, and to further the interests, rights and privileges of individuals within the state.

(c) To establish as the policy of the Commonwealth the safeguarding of the rights of an individual selling or leasing his own property without the aid of any person or corporation on a fee or commission.

(2) This chapter shall be construed to further the general purposes stated in this section and the special purposes of the particular provision involved.

(3) Nothing in this chapter shall be construed as indicating an intent to exclude local laws on the same subject matter not inconsistent with this chapter.

(4) Nothing contained in this chapter shall be deemed to repeal any other law of this state relating to discrimination because of race, color, religion, *sex,* and national origin.

Section 3. Section 344.040 of the Kentucky Revised Statutes is amended to read as follows:

It is an unlawful practice for an employer:

(1) To fail or refuse to hire, or to discharge any individual, or otherwise to discriminate against an individual with respect to his compensation, terms, conditions, or privileges of employment, because of such individual's race, color, religion, *sex,* or national origin; or

(2) To limit, segregate, or classify his employes in any way which would deprive or tend to deprive an individual of employment opportunities or otherwise adversely affect his status as an employe, because of such individual's race, color, religion, *sex,* or national origin.

Section 4. Section 344.050 of the Kentucky Revised Statutes is amended to read as follows:

It is an unlawful practice for an employment agency to fail or refuse to refer for employment, or otherwise to discriminate against, an individual because of his race, color, religion, *sex,* or

national origin, or to classify or refer for employment an individual on the basis of his race, color, religion, *sex,* or national origin.

Section 5. Section 344.060 of the Kentucky Revised Statutes is amended to read as follows:

It is an unlawful practice for a labor organization:

(1) To exclude or to expel from its membership, or otherwise to discriminate against, a member or applicant for membership because of his race, color, religion, *sex,* or national origin.

(2) To limit, segregate, or classify its membership, or to classify or fail or refuse to refer for employment an individual, in any way which would deprive or tend to deprive an individual of employment opportunities, or would limit such employment opportunities or otherwise adversely affect his status as an employe or as an applicant for employment, because of such individual's race, color, religion, *sex,* or national origin;

(3) To cause or attempt to cause an employer to discriminate against an individual in violation of this section.

Section 6. Section 344.070 of the Kentucky Revised Statutes is amended to read as follows:

It is an unlawful practice for an employer, labor organization, or joint labor-management committee controlling apprenticeship or other training or retraining, including on-the-job training programs to discriminate against an individual because of his race, color, religion, *sex,* or national origin in admission to or employment in, any program established to provide apprenticeship or other training.

Section 7. Section 344.080 of the Kentucky Revised Statutes is amended to read as follows:

It is an unlawful practice for an employer, labor organization, or employment agency to print or publish or cause to be printed or published a notice or advertisement relating to employment by such an employer or membership in or any classification or referral for employment by the employment agency, indicating any preference, limitation, specification, or discrimination, based on race, color, religion, *sex,* or national origin, except that such a notice or advertisement may indicate a preference, limitation,

or specification based on religion, or national origin when religion, or national origin is a bona fide occupational qualification for employment.

Section 8. Section 344.100 of the Kentucky Revised Statutes is amended to read as follows:

Notwithstanding any other provision of this chapter, it is not an unlawful practice for an employer to apply different standards of compensation, or different terms, conditions, or privileges of employment pursuant to a bona fide seniority or merit system, or a system which measures earnings by quantity or quality of production or to employes who work in different locations, provided that such differences are not the result of an intention to discriminate because of race, color, religion, *sex,* or national origin, nor is it an unlawful practice for an employer to give and to act upon the results of any professionally developed ability test provided that such test, its administration or action upon the results is not designed, intended or used to discriminate because of race, color, religion, *sex,* or national origin.

Section 9. Section 344.110 of the Kentucky Revised Statutes is amended to read as follows:

Nothing contained in this chapter requires an employer, employment agency, labor organization, or joint labor-management committee subject to this chapter to grant preferential treatment to an individual or to a group because of the race, color, religion, *sex,* or national origin of the individual or group on account of an imbalance which may exist with respect to the total number of percentage of persons of any race, color, religion, *sex,* or national origin employed by an employer, referred or classified for employment by an employment agency or labor organization, admitted to membership or classified by a labor organization, or admitted to, or employed in, an apprenticeship or other training program, in comparison with the total number or percentage of persons of such race, color, religion, *sex,* or national origin in the state or a community, section, or other area, or in the available work force in the state or a community, section, or other area.

Section 10. Section 344.120 of the Kentucky Revised Statutes is hereby amended to read as follows:

Except as otherwise provided in KRS 344.120 to 344.140, it is an unlawful practice for a person to deny an individual the full and equal employment of the goods, services, facilities, privileges, advantages, and accommodations of a place of public accommodation, resort or amusement, as defined in KRS 344.120 to 344.140, on the ground of race, color, religion, *sex* or national origin.

Section 11. Section 344.140 of the Kentucky Revised Statutes is hereby amended to read as follows:

It is an unlawful practice for a person, directly or indirectly, to publish, circulate, issue, display, or mail, or cause to be published, circulated, issued, displayed, or mailed, a written, printed, oral or visual communication, notice, or advertisement, which indicates that the goods, services, facilities, privileges, advantages, and accommodations of a place of public accommodation, resort or amusement, will be refused, withheld from, or denied an individual on account of his race, color, religion, *sex* or national origin, or that the patronage of, or presence at, a place of public accommodation, resort or amusement, of an individual, on account of his race, color, religion, *sex* or national origin is objectionable, unwelcome, unacceptable, or undesirable.

HB 639, AN ACT relating to courts.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Section 25.440 of the Kentucky Revised Statutes is amended to read as follows:

Appeals may be taken to the *circuit* [quarterly] court from all judgments and orders of justices', fiscal and police courts in civil cases. In all cases involving a question of exemption, appeal shall be granted to the defendant without the execution of the bond required in other appeals.

The Committee on Rules reported **HB 659, HB 233, HB 344, HB 373, HB 374, HB 375, HB 378, HB 590** and **HB 638** have been posted for passage in Orders of the Day, March 10, 1970.

The Committee on Rules reported **HB 163, HB 357, HB 289, HB 393, HB 425, HB 453, HB 463, HB 466, HB 487, HB 512, HB 537, HB 538, HB 572, HB 598, HB 610, HB 625, HB 630, HB 669, HB 691** and **SR 13** have been posted for passage in Orders of the Day, March 11, 1970.

The Committee on Rules reported **HB 298** has been recommitted to the Committee on Labor and Industry for further consideration.

The Committee on Rules reported **HB 565** has been recommitted to the Committee on Agriculture and Natural Resources for further consideration.

The Committee on Rules reported **HB 391** has been recommitted to the Committee on State Government for further consideration.

The Committee on Rules reported **HB 266** has been recommitted to the Committee on Appropriations and Revenue for consideration of fiscal implications.

The Committee on Rules reported **HB 490** has been recommitted to the Committee on Business Organizations and Professions for the purpose of amending.

The Committee on Rules reported **HB 622** has been recommitted to the Committee on Banking and Insurance for further consideration.

The Committee on Rules reported **HB 305** has been recommitted to the Committee on Appropriations and Revenue in that the money has already been appropriated.

The Committee on Rules reported **HB 557** has been recommitted to the Committee on Health and Welfare for further consideration.

Announcements

Representative Blythe announced he wished to vote "yea" on **SB 212.**

Representative Lindsay announced he wished to vote "yea" on **HB 321.**

Representative Yocom announced he wished to vote "yea" on **HB 611, HB 612, HB 613, HB 615, HB 616, HB 623,** and **SB 208.**

Representative Conn announced he wished to vote "yea" on **HR 65, HR 70, SB 176.**

Representative Pollitte announced he wished to vote "yea" on **HB 623.**

Representative Kenton filed an amendment to **HB 617.**

Representative Kenton filed an amendment to **HB 577.**

Representative Blume filed an amendment to **HB 163.**

Representative Baker filed an amendment to **HB 375.**

The Clerk announced the following Bills and Resolutions were posted for consideration:

Public Utilities and Transportation: **SB 304, SB 129, SB 86, HB 119, HB 131, HB 136, HB 164, HB 170, HB 173, HB 404, HB 405, HB 455, HB 570, HB 632, HB 636, HB 652, HB 683, HB 692, HB 701, HB 721, HB 724, HB 718.** (Room 402, March 11, 1970, 9:30 a.m.)

Business Organizations and Professions: **HB 377, HB 394, HB 595, HB 663, HB 690, SB 169.** (Room 402, March 11, 1970, 11:00 a.m.)

Banking and Insurance: **HB 628, SB 93.** (Room 402, March 11, 1970, on adjournment)

Highways and Traffic Safety: **HB 671.** (Room 401, March 11, 1970, on adjournment)

Health and Welfare: **SB 152, SB 276, SB 281, HB 523, HB 274, HB 588, HB 644, HB 667, HB 672, HB 687, HB 688, HB 693, HB 700.** (Room 401, March 11, 1970, 10:00 a.m.)

Agriculture and Natural Resources: **HB 440, HB 711, SB 267, SR 36.** (Room 401, March 11, 1970, 11:00 a.m.)

State Government: **HB 443, HB 589, HB 398, SB 23, HB 175, HB 176.** (Special Meeting, Room 305, March 11, 1970, 11:00 a.m.)

The Clerk announced the following Bills and Resolutions were withdrawn from consideration:

Agriculture and Natural Resources: **HB 411, HB 448.**

State Government: **HR 12, HB 193, HB 296.**

Report on Enrolled Bills

HB 49, HB 114 and **HB 123** delivered, signed by President. Ordered delivered to the Governor.

Representative Baker moved that the House adjourn until 1:00 p.m., Wednesday, March 11, 1970. Agreed.

WEDNESDAY, MARCH 11, 1970

FIFTY-SECOND LEGISLATIVE DAY

The House was called to order by Speaker Carroll.

Prayer by Dr. Robert J. Laughlin, First Presbyterian Church, Frankfort.

The roll was called. All present except Representative King.

Representative Isler moved that absent members be granted leave of absence. Agreed.

Representative McNamara moved that the reading of the Journal of March 10, 1970, be dispensed with and the same approved. Agreed.

Introduction of Bills and Resolutions

HB 739, by Representatives McGill and Siemens: AN ACT providing for a defender system.

HR 102, by Representatives Kenton, McCann and Peak: A RESOLUTION commending the Lexington Philharmonic Society.

Report on Enrolled Bills

HB 34 delivered to the Senate, signed by President. Ordered delivered to the Governor.

Reference of Bills and Resolutions

The Committee on Committees has referred the following Bills and Resolutions:

Appropriations and Revenue: **HB 732, HB 733, SB 340, SB 341.**

Business Organizations and Professions: **HB 736.**

Education: **HB 730.**

Health and Welfare: **HB 731.**

Highways and Traffic Safety: **SB 127.**

Judiciary: **HB 735, HB 738, SB 280.**

State Government: **HB 734, HB 737.**

Rules: **HR 96, HR 97, HR 98, HR 99, HR 100, HR 101.**

Report of Committees

The Committee on Cities reported **HB 457, HB 555** with Committee Substitute attached thereto, and **HB 673** with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 457, AN ACT changing the classification of the City of Adairville in Logan County.

WHEREAS, satisfactory information has been presented to the General Assembly that the population of the City of Adairville in Logan County is such to justify its being classified as a city of the fifth class.

NOW, THEREFORE,

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. The City of Adairville in Logan County is transferred from the sixth to the fifth class of cities.

HB 555, AN ACT relating to the establishment of community improvement districts with the power to tax and to promote governmental projects; and repealing KRS 66.550 to 66.580, inclusive.

WHEREAS, Counties containing cities of the first class are beset by numerous problems which have tended to promote the creation of numerous governmental units to meet such problems, with consequent increasing needs for new governmental buildings and other structures within the area of such counties; and

WHEREAS, it would appear that the need for such new buildings and other structures can best be met in such counties by the creation of an independent municipal corporation which can serve all of the units related to general governmental problems upon a county-wide basis, and which can finance or assist in the financing of such buildings and structures through the application of its own revenues,

NOW, THEREFORE,

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. A new section of Chapter 107 of the Kentucky Revised Statutes is created to read as follows:

As used in this Act, unless the context otherwise requires:

(1) "District" means a ———————— County Community Improvement District established as provided in this Act;

(2) "Board" means the Board of Commissioners which controls and manages the affairs of the district;

(3) "Governmental unit" means a county or any city of any class, or any corporate agency of any such county or city, or any independent district, authority or other municipal corporation except a board of education, existing within the area of the district; and

(4) "Building and related facilities", or "building" or "facilities" means any real or personal property, including but not limited to structures, sites, parks, forests, wharves, boats and other improvements except sewers, drainage facilities and other utilities unless related to one of the foregoing.

Section 2. A new section of Chapter 107 of the Kentucky Revised Statutes is created to read as follows:

The County Court of any county containing a first class city, upon petition of not less than one hundred qualified residents and voters in said county, may establish a community improvement district in said county for the purpose of erecting buildings and related facilities for any governmental unit, or combination of governmental units, in the county. Any community improvement district so created shall include all of the territory in the

county, including the area of incorporated cities (whether or not joined in the administration of the district), and shall be designated the "———————— County Community Improvement District" (hereinafter called the "district"). The district shall constitute a municipal corporation and taxing district, and public body corporate, with perpetual succession and power in its name to contract and be contracted with, sue and be sued, adopt by-laws, have and use a corporate seal, and exercise all of the powers granted to public non-profit corporations generally by Chapter 273 of the Kentucky Revised Statutes, except such powers as may be inconsistent with specific provisions of this Act.

Section 3. A new section of Chapter 107 of the Kentucky Revised Statutes is created to read as follows:

A district shall be administered by a Board of Commissioners (the "Board"), which shall control and manage the affairs of the district. The term of each commissioner shall be four years, except as herein specified. Initially, upon the establishment of the district, the board shall consist of four members who shall be appointed by the County Judge with the approval of the Fiscal Court. Initial appointments shall be for terms of one, two, three and four years as designated by the County Judge. Immediately upon the appointment of the four Commissioners the board shall elect a temporary Chairman, who shall then inform the Mayor of each first, second, third and fourth class city in the county that the district has been established and that the board invites each of said cities to join in the administration of the district by the enactment of an ordinance providing for such action. Upon the enactment of such an ordinance by a city of the first class, the Mayor thereof, with the approval of the Board of Aldermen, shall be entitled to appoint four additional members of the board for one, two, three and four year terms as in the case of the appointments made by the County Judge. The Mayor of any city of the second, third or fourth class which may join in the administration of the district (including cities which may be so classified at future times, after the effective date of such classification) shall be entitled to appoint, with the approval of the legislative body of his city, one member of the board for a term of four years. Thereafter, as the term of each member expires, his successor shall be appointed for a

term of four years. Not more than three-fourths of the persons appointed to membership on the board by an appointing authority having multiple appointments shall be members of the same political party, as determined, in the case of each person, by such person's registration record at the time of his or her appointment.

The board shall elect its Chairman from among its members and may appoint a Secretary, an Executive Director, and other officials and employees who need not be members of the board. Members of the board shall not receive compensation for their services, but shall be reimbursed for their actual expenses necessarily incurred in the performance of their duties. A quorum for the transacting of the business of the board shall consist of one half of the total membership of the board, or three members, whichever is greater.

Section 4. A new section of Chapter 107 of the Kentucky Revised Statutes is created to read as follows:

The purpose of the district shall be to provide for the acquisition or construction, and the necessary equipping of, such buildings and related facilities as may be needed by any governmental unit within the territorial limits of the district, or any combination of any such units.

Section 5. A new section of Chapter 107 of the Kentucky Revised Statutes is created to read as follows:

In order to accomplish its purposes the district, through its board, may levy an ad valorem tax on all property within the district which is assessed for local taxation at a rate which shall not exceed 10¢ per $100.00 of assessed value of said property. All ad valorem taxes authorized by this Act shall be collected in the same manner as are county ad valorem taxes and shall be turned over to the board as the governing body of the district. Such ad valorem taxes shall be solely for the benefit and purposes of the district and shall be in addition to all other ad valorem taxes.

Section 6. A new section of Chapter 107 of the Kentucky Revised Statutes is created to read as follows:

Immediately upon the adoption by the board of a resolution

levying an ad valorem tax, the board shall cause to be published in the newspaper of bona fide circulation as provided in KRS 424.130 a notice stating the amount of the proposed tax which will be levied and that the electors have a right, hereby given, to remonstrate against the levy of said tax by filing with the board, within sixty days next following the first notice of the adoption of such resolution, a petition signed by a number of constitutionally qualified voters in the district equal to 33-1/3% of the votes cast within the area of the district at the last preceding general election for governor of the Commonwealth. Such petition shall state the residence of each signer and shall be verified as to the signature and residence by affidavits of one or more persons. If, after the filing within the prescribed period of such a petition of remonstrance, the board shall not repeal the resolution, the board shall submit to the voters of the district at the next regularly scheduled November election ensuing not less than 60 days thereafter the question as to whether or not the tax should be approved. Notice of such election shall be given as provided in Chapter 424 of the Kentucky Revised Statutes. The question shall be so framed that the voter may by his vote answer "for" or "against" levying the tax, and shall be certified by the secretary of the board to the Clerk of the County Court. The Clerk of the County Court shall cause such question to appear on the ballots or voting machine slips used, and the election results shall be canvassed and certified by the County Board of Election Commissioners. If a majority of the votes cast upon the question oppose the levying of the tax, the resolution shall not go into effect. If a majority of the votes cast upon the question favor levying the tax, the resolution shall go into effect immediately upon the certification of the vote.

If no valid petition of remonstrance shall be filed within the period prescribed, the resolution shall go into effect immediately after the expiration of the 60-day period. Thereafter, if the rate of the tax shall be raised at any time, a petition of remonstrance may be filed as herein described, but it shall relate solely and only to the amount of the raise in the rate of taxation. When such tax levy has become effective, the property evaluation administrator, with the cooperation of the board, shall note on the tax rolls the tax-payers and valuation of the property subject to such tax. The County Clerk shall compute the tax on the regular

state and county tax bills in such manner as may be directed by the regulations of the Department of Revenue. Such ad valorem taxes shall be collected by the Sheriff in accordance with the general law and accounted for to the board. The Sheriff shall not be entitled to a fee for his services in collecting the tax.

Section 7. A new section of Chapter 107 of the Kentucky Revised Statutes is created to read as follows:

In addition to its general powers specified in this Act, the board shall have power to finance and construct buildings and related facilities for the joint or separate use of any one or more of the governmental units within the territorial limits of the county, or of federal agencies, and to lease said buildings and facilities in whole or in part, or space therein, to said governmental units or federal agencies in accordance with the provisions of this Act. The board may cause any such building and related facilities to be designed in anticipation of reasonably foreseeable future needs; and to the extent the capacity thereof may be surplus to needs existing at the time of occupancy, such surplus capacity may be leased to non-governmental persons or parties, subject to cancellation upon reasonable notice when such capacity or facilities shall be required for the purposes of governmental units. Said board shall have the government, management, regulation, control and operation of any buildings financed and constructed pursuant to the provisions of this Act and shall have the power to improve, reconstruct, repair and maintain said buildings and all additions thereto; provided, however, that the board may contract with the lessee of any building for the maintenance and operation of such building. The board shall also have full power, acting in the name of the district, as follows:

(1) To condemn, appropriate, lease, rent, purchase and hold any real estate, regardless of whether the same be then held for a governmental or public use, and materials of personal property needed or deemed useful in connection with buildings constructed or to be constructed pursuant to this Act;

(2) To enter upon any lots or lands for the purpose of surveying or examining the same for a proper public purpose under this Act;

(3) To design, order, contract for and construct, reconstruct and maintain such buildings and related facilities and to make all necessary or desirable improvements to the grounds and premises under its control;

(4) To determine, allocate and adjust space in said buildings to be used by any governmental unit;

(5) To construct, maintain and operate auditoriums, public meeting places, and parking facilities in conjunction with or as a part of said buildings;

(6) To operate any such buildings, to receive and collect any moneys due on account of such operation or otherwise relating to such buildings and to expend such moneys for proper purposes; and in connection therewith to let concessions for the operation of restaurants, cafeterias, public telephones, news and cigar stands, and vending machines, and to employ such managers, superintendents, architects, engineers, attorneys, auditors, clerks, foremen, custodians, and other employees, as it may deem necessary for the proper carrying on and operation of any such buildings and to fix the compensation of all such employees; provided, however, that no contract of employment shall be made for a longer fixed period than four (4) years, but may be extended or renewed from time to time thereafter;

(7) To make and enter into all contracts and agreements ncessary or incidental to the performance of its duties and the execution of its powers under this Act.

Section 8. A new section of Chapter 107 of the Kentucky Revised Statutes is created to read as follows:

The district shall have the same power to condemn property for its purposes as the Department of Highways of the Commonwealth of Kentucky, and shall institute any action for condemnation under the provisions of the statutes applicable to said Department. The official order of the board shall be conclusive of the public use of the condemned property and the board's decision as to the necessity for taking the property will not be disturbed in the absence of fraud, bad faith, or abuse of discretion.

Section 9. A new section of Chapter 107 of the Kentucky Revised Statutes is created to read as follows:

Any governmental unit within the territorial limits of the county shall be authorized to lease all or any part of the buildings and related facilities from the district, subject to constitutional limitations, and the district shall have the power to lease buildings or any part thereof to said governmental units. Any governmental unit which enters into such a contract of lease may sublease a part or parts of such leased premises to other governmental units within the territorial limits of the county. No such contract of lease or any sublease to another governmental unit of a particular building shall be entered into for a period of more than forty (40) years but said contract of lease and each such sublease may be renewable for a like or lesser period. The rentals to be paid to the district by the lessee shall be specified in the lease agreement, and the district may agree to subsidize a portion or all of the such payments from its own funds provided that it retains the right to withdraw from such subsidy agreement at the close of a rental, fiscal or calendar year by affirmative action of its board. The district shall be bound for the amount of the subsidy agreed upon for the year in which the agreement is made, notwithstanding any right of withdrawal thereafter, and it shall be bound for each year thereafter if it has not withdrawn from its agreement by the first of said year.

In determining the amount of the subsidy which the board agrees to pay (on a year-to-year basis) the board shall take into consideration any previous subsidies which may have been allowed to the particular lessee, previous subsidies which may have been allowed to other governmental units, and the relative assessed values of the property in the various governmental units in the county.

Section 10. A new section of Chapter 107 of the Kentucky Revised Statutes is created to read as follows:

Any governmental unit within the territorial limits of the county may, in anticipation of the construction and erection of such buildings, including the necessary equipment and appurtenances thereof, make and enter into a contract of lease with such district prior to the actual acquisition of a site, if a site

is to be acquired, and the construction and erection of such building.

Section 11. A new section of Chapter 107 of the Kentucky Revised Statutes is created to read as follows:

Any such lease may provide that the lessee may have an option to renew said lease for a like or lesser term, on such conditions as may be provided for in such lease and may contain an option to purchase at any time prior to the expiration of the term of such lease on such date or dates in any year as may be fixed therein, at a price to be computed by a method which shall be set forth in said contract of lease, and such option may be given to one or more of the lessees acting jointly or severally. No lease shall provide, nor be construed to provide, that any governmental unit shall be under any obligation to purchase such leased building.

Section 12. A new section of Chapter 107 of the Kentucky Revised Statutes is created to read as follows:

Any governmental unit or units desiring to have buildings erected on land owned or to be acquired by it or them may convey such lands (whether then with or without improvements) to the district, or may lease such land to the district for a nominal rental for the same period of years that such governmental unit proposes to lease the particular building, or portion thereof, to be constructed wholly or in part thereon, and, in the event the land was leased, may grant an option to the district to purchase such land within six (6) months after the expiration of the lease on the building in the event such governmental unit or units shall not have exercised or shall not exercise an option to purchase such building within the terms of the contract of lease. Any such conveyance or lease of land by a governmental unit to the district shall be authorized by the governing body of such governmental unit by resolution or ordinance which shall be entered in the official records of said governing body. Such authorization may be given concurrently with the authorization by such governmental unit of a lease by it of the particular building, or portion thereof, to be constructed wholly or in part on said land. The deed, in the case of a conveyance of the land, or the lease, in the case of a lease

thereof, shall be executed on behalf of the governmental unit by the officer or officers authorized by law to execute contracts on behalf of such unit and said lease shall be executed on behalf of the district by the chairman and secretary of the board.

Section 13. A new section of Chapter 107 of the Kentucky Revised Statutes is created to read as follows:

The district is authorized to defray the cost of acquiring any real or personal property for the purposes contemplated by this Act through the issuance of revenue bonds, and for that purpose the district shall have all the powers and duties that are granted to or imposed upon governmental units by law, including specifically the terms and provisions of KRS 58.010 to 58.140; provided, however, that notwithstanding any other limitation of interest rate which may be contained in said statutes, the district shall not be limited by any provision of a maximum interest rate of less than eight percent (8%) per annum.

Section 14. A new section of Chapter 107 of the Kentucky Revised Statutes is created to read as follows:

The board, subject to the approval required by KRS 66.210 and 66.220, may sell and deliver its general obligation bonds not to exceed in principal amount the 2% limitation provided in Section 158 of the Constitution, in such manner and at such times at public sale as it deems proper, provided that before such bonds may be issued, the board shall take the same actions required by KRS 66.050 to be taken by the legislative body of a city in the case of a city bond issue; and unless two-thirds of the votes on the question submitted as therein provided are in favor of incurring the indebtedness, the bonds shall not be issued. In complying with the requirements of KRS 66.050, "ordinance" shall mean "resolution", "city" shall mean "district", and the advertising requirements shall be those fixed by KRS 424.130.

Section 15. A new section of Chapter 107 of the Kentucky Revised Statutes is created to read as follows:

The district may borrow money from any source on its own credit in anticipation of revenue to be derived from taxes or other income, and for such purposes the district may pledge the

taxes or other income anticipated, subject to constitutional limitations. The district may enter into contracts with governmental units for the initiation of projects deemed to benefit such units, or which will be leased to such units, and such units may appropriate or advance funds to the district for its expenses, including general expenses of operation related thereto.

Section 16. A new section of Chapter 107 of the Kentucky Revised Statutes is created to read as follows:

In the issuance of either general obligation or revenue bonds by the district the provision of KRS 61.390 shall apply.

Section 17. A new section of Chapter 107 of the Kentucky Revised Statutes is created to read as follows:

Sections 66.550 to 66.580, inclusive, of the Kentucky Revised Statutes, are hereby repealed.

Committee Substitute, HB 555, AN ACT relating to the establishment of community improvement districts with the power to tax and to promote governmental projects; and repealing KRS 66.550 to 66.580, inclusive.

WHEREAS, Counties containing cities of the first class are beset by numerous problems which have tended to promote the creation of numerous governmental units to meet such problems, with consequent increasing needs for new governmental buildings and other structures within the area of such counties; and

WHEREAS, it would appear that the need for such new buildings and other structures can best be met in such counties by the creation of an independent municipal corporation which can serve all of the units related to general governmental problems upon a county-wide basis, and which can finance or assist in the financing of such buildings and structures through the application of its own revenues,

NOW, THEREFORE,

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. A new section of Chapter 107 of the Kentucky Revised Statutes is created to read as follows:

As used in this Act, unless the context otherwise requires:

(1) "District" means a _____ County Community Improvement District established as provided in this Act;

(2) "Board" means the Board of Commissioners which controls and manages the affairs of the district;

(3) "Governmental unit" means a county or any city of any class, or any corporate agency of any such county or city, or any independent district, authority or other municipal corporation except a board of education, existing within the area of the district; and

(4) "Building and related facilities", or "building" or "facilities" means any real or personal property, including but not limited to structures, sites, parks, forests, wharves, floodwalls, boats and other improvements except sewers, drainage facilities and other utilities unless related to one of the foregoing.

Section 2. A new section of Chapter 107 of the Kentucky Revised Statutes is created to read as follows:

The County Court of any county containing a first class city, may establish a community improvement district in said county for the purpose of erecting buildings and related facilities for any governmental unit, or combination of governmental units, in the county. Any community improvement district so created shall include all of the territory in the county, including the area of incorporated cities (whether or not joined in the administration of the district), and shall be designated the "_____ County Community Improvement District" (hereinafter called the "district"). The district shall constitute a municipal corporation and taxing district, and public body corporate, with perpetual succession and power in its name to contract and be contracted with, sue and be sued, adopt by-laws, have and use a corporate seal, and exercise all of the powers granted to public non-profit corporations generally by Chapter 273 of the Kentucky Revised Statutes, except such powers as may be inconsistent with specific provisions of this Act.

Section 3. A new section of Chapter 107 of the Kentucky Revised Statutes is created to read as follows:

A district shall be administered by a Board of Commissioners (the "Board"), which shall control and manage the affairs of the district. The term of each commissioner shall be four years except as herein specified. Initially, upon the establishment of the district, the board shall consist of four members who shall be appointed by the County Judge with the approval of the Fiscal Court. Initial appointments shall be for terms of one, two, three and four years as designated by the County Judge. Immediately upon the appointment of the four Commissioners the board shall elect a temporary Chairman, who shall then inform the Mayor of each first, second, third and fourth class city in the county that the district has been established and that the board invites each of said cities to join in the administration of the district by the enactment of an ordinance providing for such action. Upon the enactment of such an ordinance by a city of the first class, the Mayor thereof, with the approval of the Board of Aldermen, shall be entitled to appoint four additional members of the board for one, two, three and four year terms as in the case of the appointments made by the County Judge. The Mayor of any city of the second, third or fourth class which may join in the administration of the district (including cities which may be so classified at future times, alter the effective date of such classification) shall be entitled to appoint, with the approval of the legislative body of his city, one member of the board for a term of four years. Thereafter, as the term of each member expires, his successor shall be appointed for a term of four years. Not more than three-fourths of the persons appointed to membership on the board by any appointing authority having multiple appointments shall be members of the same political party, as determined, in the case of each person, by such person's registration record at the time of his or her appointment.

The board shall elect its Chairman from among its members and may appoint a Secretary, an Executive Director, and other officials and employees who need not be members of the board. Members of the board shall not receive compensation for their services, but shall be reimbursed for their actual expenses necessarily incurred in the performance of their duties. A quorum for the transacting of the business of the board shall consist of one

half of the total membership of the board, or three members, whichever is greater.

Section 4. A new section of Chapter 107 of the Kentucky Revised Statutes is created to read as follows:

The purpose of the district shall be to provide for the acquisition or construction, and the necessary equipping of, such buildings and related facilities as may be needed by any governmental unit within the territorial limits of the district, or any combination of any such units.

Section 5. A new section of Chapter 107 of the Kentucky Revised Statutes is created to read as follows:

In order to accomplish its purposes the district, through its board, may request the fiscal court of the county in which it is located to levy ad valorem tax on all property within the district which is assessed for local taxation at a rate which shall not exceed 25 cents per $100.00 of assessed value of said property and which shall not exceed the amount necessary to amortize any bonds (whether revenue or general obligation bonds) issued or proposed to be issued to finance the project or projects proposed by the district, plus operating expenses of the district. All ad valorem taxes authorized by this Act shall be collected in the same manner as are county ad valorem taxes and shall be turned over to the board as the governing body of the district. Such ad valorem taxes shall be solely for the benefit and purposes of the district and shall be in addition to all other ad valorem taxes. Said fiscal court shall levy the ad valorem tax so requested initially and from year to year thereafter if required to amortize any bonds (whether revenue or general obligation bonds) issued or proposed for a project not disapproved under the authority of this Act, but it shall refuse to levy any tax if no bonds (whether revenue or general obligation bonds) are issued or outstanding, and if the proposed project to be financed by the bonds has been disapproved as set out in Section 6 hereof.

Section 6. A new section of Chapter 107 of the Kentucky Revised Statutes is created to read as follows:

Prior to or concurrently with the adoption by the board of a resolution requesting the fiscal court to levy an ad valorem tax,

the board shall have determined the nature and approximate cost of the project or projects to be financed through the issuance of bonds (whether revenue or general obligation bonds) to be retired through the levy of the tax. The resolution designating the project or projects and the estimated and approximate cost of each, shall be forwarded to the fiscal court, which shall thereafter, on behalf of the district, cause said resolution to be published in the newspaper of bona fide circulation as provided in KRS 424.130. Thereafter the fiscal court shall cause to be prepared a question for submission to the voters of the district at the next regularly scheduled November election as to whether or not the project, or each individual project if there be more than one, shall be disapproved. The question shall be so framed that any voter who wishes to express his disapproval of the project, or of any individual project if there be more than one project, may signify his disapproval by voting "against" the individual project. If a majority of those voting in the election at which the question is submitted shall vote "against" any particular project, the board shall be bound by the advice of the voters on that particular project, which shall not then be undertaken by the district or paid for from the funds of the district. The number of voters participating in the election shall be determined upon the basis of the total votes cast for the office having the highest total vote in the entire area of the district, or if there be no election for such an office in the year of submission, for the highest vote cast for the two offices which together encompass the entire district. The clerk of the county court shall cause such question to appear on the ballots or voting machine slips used, and the election results shall be canvassed and certified by the county board of election commissioners. The project shall be deemed disapproved upon certification by the county board of election commissioners that the majority of voters voting in the election, as herein defined, have voted "against" the project.

If the project is not disapproved as herein provided, the tax necessary to finance the project shall be computed by the board and transmitted to the fiscal court, which shall levy the tax as provided in Section 5 hereof. Nothing in this Act shall be deemed to require the board to request the fiscal court to levy a tax in any year unless general obligation bonds have been issued as provided in Section 14 hereof, and then only to the extent of requirements for amortization of such bonds.

Section 7. A new section of Chapter 107 of the Kentucky Revised Statutes is created to read as follows:

In addition to its general powers specified in this Act, the board, after approval of any proposed project by resolution of the fiscal court, shall have power to finance and construct buildings and related facilities for the joint or separate use of any one or more of the governmental units within the territorial limits of the county, or of federal agencies, and to convey or lease said buildings and facilities in whole or in part, or space therein, to said governmental units or federal agencies in accordance with the provisions of this Act. The board may cause any such building and related facilities to be designed in anticipation of reasonably foreseeable future needs; and to the extent the capacity thereof may be surplus to needs existing at the time of occupancy, such surplus capacity may be leased to non-governmental persons or parties, subject to cancellation upon reasonable notice when such capacity or facilities shall be required for the purposes of governmental units. Said board shall have the government, management, regulation, control and operation of any buildings financed, constructed and leased pursuant to the provisions of this Act and shall have the power to improve, reconstruct, repair and maintain said buildings and all additions thereto; provided, however, that the board may contract with the lessee of any building for the maintenance and operation of such building. The board shall also have power, acting in the name of the district, as follows:

(1) To condemn, appropriate, lease, rent, purchase and hold any real estate, regardless of whether the same be then held for a governmental or public use, and materials or personal property needed or deemed useful in connection with buildings constructed or to be constructed pursuant to this Act;

(2) To enter upon any lots or lands for the purpose of surveying or examining the same for a proper public purpose under this Act;

(3) To design, order, contract for and construct, reconstruct and maintain such buildings and related facilities and to make all necessary or desirable improvements to the grounds and premises under its control;

(4) To determine, allocate and adjust space in said buildings to be used by any governmental unit;

(5) To construct, maintain and operate auditoriums, public meeting places, and parking facilities in conjunction with or as a part of said buildings;

(6) To operate any such buildings, to receive and collect any moneys due on account of such operation or otherwise relating to such buildings and to expend such moneys for proper purposes; and in connection therewith to let concessions for the operation of restaurants, cafeterias, public telephones, news and cigar stands, and vending machines, and to employ such managers, superintendents, architects, engineers, attorneys, auditors, clerks, foremen, custodians, and other employees, as it may deem necessary for the proper carrying on and operation of any such buildings and to fix the compensation of all such employees; provided, however, that no contract of employment shall be made for a longer fixed period than four (4) years, but may be extended or renewed from time to time thereafter;

(7) To make and enter into all leases, contracts and other agreements necessary or incidental to the performance of its duties and the execution of its powers under this Act.

Section 8. A new section of Chapter 107 of the Kentucky Revised Statutes is created to read as follows:

The district shall have the same power to condemn property for its purposes as the Department of Highways of the Commonwealth of Kentucky, and shall institute any action for condemnation under the provisions of the statutes applicable to said Department. The official order of the board shall be conclusive of the public use of the condemned property and the board's decision as to the necessity for taking the property will not be disturbed in the absence of fraud, bad faith, or abuse of discretion.

Section 9. A new section of Chapter 107 of the Kentucky Revised Statutes is created to read as follows:

Any governmental unit within the territorial limits of the county shall be authorized to lease all or any part of the buildings and related facilities from the district, subject to constitutional limitations, and the district shall have the power to lease build-

ings or any part thereof to said governmental units. Any governmental unit which enters into such a contract of lease may sublease a part or parts of such leased premises to other governmental units within the territorial limits of the county. No such contract of lease or any sublease to another governmental unit of a particular building shall be entered into for a period of more than forty (40) years but said contract of lease and each such sublease may be renewable for a like or lesser period. The rentals to be paid to the district by the lessee shall be specified in the lease agreement, and the district may agree to subsidize a portion or all of the such payments from its own funds provided that it retains the right to withdraw from each subsidy agreement at the close of a rental, fiscal or calendar year by affirmative action of its board. The district shall be bound for the amount of the subsidy agreed upon for the year in which the agreement is made, notwithstanding any right of withdrawal thereafter, and it shall be bound for each year thereafter if it has not withdrawn from its agreement by the first of said year.

In determining the amount of the subsidy which the board agrees to pay (on a year-to-year basis) the board shall take into consideration any previous subsidies which may have been allowed to the particular lessee, previous subsidies which may have been allowed to other governmental units, and the relative assessed values of the property in the various governmental units in the county.

Section 10. A new section of Chapter 107 of the Kentucky Revised Statutes is created to read as follows:

Any governmental unit within the territorial limits of the county may, in anticipation of the construction and erection of such buildings, including the necessary equipment and appurtenances thereof, make and enter into a contract of lease with such district prior to the actual acquisition of a site, if a site is to be acquired, and the construction and erection of such buildings.

Section 11. A new section of Chapter 107 of the Kentucky Revised Statutes is created to read as follows:

Any such lease may provide that the lessee may have an option to renew said lease for a like or lesser term, on such conditions as may be provided for in such lease and may contain an

option to purchase at any time prior to the expiration of the term of such lease on such date or dates in any year as may be fixed therein, at a price to be computed by a method which shall be set forth in said contract of lease, and such option may be given to one or more of the lessees acting jointly or severally. No lease shall provide, nor be construed to provide, that any governmental unit shall be under any obligation to purchase such leased building.

Section 12. A new section of Chapter 107 of the Kentucky Revised Statutes is created to read as follows:

Any governmental unit or units desiring to have buildings erected on land owned or to be acquired by it or them may convey such lands (whether then with or without improvements) to the district, or may lease such land to the district for a nominal rental for the same period of years that such governmental unit proposes to lease the particular building, or portion thereof, to be constructed wholly or in part thereon, and, in the event the land was leased, may grant an option to the district to purchase such land within six (6) months after the expiration of the lease on the building in the event such governmental unit or units shall not have exercised or shall not exercise an option to purchase such building within the terms of the contract of lease. Any such conveyance or lease of land by a governmental unit to the district shall be authorized by the governing body of such governmental unit by resolution or ordinance which shall be entered in the official records of said governing body. Such authorization may be given concurrently with the authorization by such governmental unit of a lease by it of the particular building, or portion thereof, to be constructed wholly or in part on said land. The deed, in the case of a conveyance of the land, or the lease, in the case of a lease thereof, shall be executed on behalf of the governmental unit by the officer or officers authorized by law to execute contracts on behalf of such unit and said lease shall be executed on behalf of the district by the chairman and secretary of the board.

Section 13. A new section of Chapter 107 of the Kentucky Revised Statutes is created to read as follows:

The district is authorized to defray the cost of acquiring any real or personal property for the purposes contemplated by this

Act through the issuance of revenue bonds, and for that purpose the district shall have all the powers and duties that are granted to or imposed upon governmental units by law, including specifically the terms and provisions of KRS 58.010 to 58.140.

Section 14. A new section of Chapter 107 of the Kentucky Revised Statutes is created to read as follows:

The board, subject to the approval required by KRS 66.210 and 66.220, may sell and deliver its general obligation bonds not to exceed in principal amount any limitation provided in Section 158 of the Constitution, in such manner and at such times at public sale as it deems proper, provided that before such bonds may be issued, the board shall take the same actions required by KRS 66.050 to be taken by the legislative body of a city in the case of a city bond issue; and unless the constitutionally required vote on the question submitted as therein provided is in favor of incurring the indebtedness, the bonds shall not be issued. In complying with the requirements of KRS 66.050, "ordinance" shall mean "resolution", "city" shall mean "district", and the advertising requirements shall be those fixed by KRS 424.130.

Section 15. A new section of Chapter 107 of the Kentucky Revised Statutes is created to read as follows:

The district may borrow money from any source on its own credit in anticipation of revenue to be derived from taxes or other income, and for such purposes the district may pledge the taxes or other income anticipated, subject to constitutional limitations. The district may enter into contracts with governmental units for the initiation of projects deemed to benefit such units, or which will be leased to such units, and such units may appropriate or advance funds to the district for its expenses, including general expenses of operation related thereto.

Section 16. A new section of Chapter 107 of the Kentucky Revised Statutes is created to read as follows:

In the issuance of either general obligation or revenue bonds by the district the provision of KRS 61.390 shall apply.

Section 17. A new section of Chapter 107 of the Kentucky Revised Statutes is created to read as follows:

In order to avoid duplication of functions within the area of the district, the district shall contract with the county for the performance of administrative functions, and all expenditures proposed by the district shall be submitted to the county judge for approval, subject to confirmation by the fiscal court; provided, however, that when a project has been undertaken and bonds issued after initial approval by the fiscal court as required by Section 7 hereof, the board shall have sole authority to determine whether or not to renew a subsidy as provided in Section 9 hereof.

Section 18. A new section of Chapter 107 of the Kentucky Revised Statutes is created to read as follows:

Nothing herein shall be deemed to limit the conveyance of a project or any portion of a project to the federal government or any agency thereof in the manner required by federal statute.

Section 19. Sections 66.550 to 66.580, inclusive, of the Kentucky Revised Statutes, are hereby repealed.

HB 673, AN ACT relating to the development of a plan for reorganization and financing of government in counties containing a city of the first class and providing a referendum relative thereto.

WHEREAS, the complex problems of local government in the metropolitan areas of the Commonwealth necessitate prompt attention based upon community-wide planning and consideration; and

WHEREAS, there exists a general conviction that such problems can be solved most effectively at the local level; and

WHEREAS, the people residing in the Commonwealth's most populous areas are most affected by these problems and thus should be given every opportunity to solve them;

NOW, THEREFORE,

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. This Act shall be Chapter 67A of the Kentucky Revised Statutes, a new section whereof is created to read as follows:

It is hereby recognized that urban developments in counties containing cities of the first class require special coordination among the units of government in the area to obtain the most productive use of public resources for governmental ends. The purpose of this Act is to make available to the people living in such counties additional alternatives under which to obtain closer coordination among governments and to grant all of the powers of self-government possible under the Constitution. It is intended that in the exercise of these alternatives, improvement shall be made in the least disruptive manner making use of traditional forms and procedures for change, affording a large degree of voter and representative participation and embracing the concepts of home rule, local option, local legislative body approval, voter referenda and neighborhood organization and development all within a framework that guarantees equity throughout the county. It is also intended that wide discretion be given to the authority which has responsibility for the development of the plan to allow for the development of the best possible plan within the limits prescribed in this Act, but at the same time to provide more than one kind of check on the exercise of that discretion requiring approval not only by local legislative bodies but by the voters in the county as well. This Act is hereby declared to be remedial legislation which should be liberally construed to effect the purposes set out herein. It is recognized however that nothing contained herein can diminish the ultimate authority of the Commonwealth of Kentucky to exercise its sovereign powers over local government.

Section 2. A new section of Chapter 67A of the Kentucky Revised Statutes is created to read as follows:

The initial step in the utilization of this Act shall be the creation of a home rule charter commission consisting of seventeen members selected as hereinafter provided. Creation of a charter commission shall be by resolution approved by the legislative body of the city of the first class and by the fiscal court of the county containing the city of the first class. Such resolution shall provide that a charter commission is established to propose to the people a plan to accomplish any or all of the purposes stated in Section 1 of this Act. The resolution shall authorize the mayor of the city of the first class and the county

judge of its county each to appoint eight citizens to serve as commissioners, subject to confirmation by the city legislative body and fiscal court, respectively. Each of the groups of appointments shall be divided equally between the two major political parties in this state as defined by KRS 119.010. The mayor and county judge shall jointly appoint the chairman of the commission who shall have the right to vote in case of a tie. Promptly after the adoption of the establishing resolution by the fiscal court, its clerk shall certify the fact of such adoption with a copy of the resolution to the clerk of the city legislative body and promptly after the adoption of the establishing resolution by the city legislative body its clerk shall certify the fact of such adoption to the clerk of the fiscal court. The charter commission shall be created and duly constituted after appointments have been made and confirmed. Vacancies in the office of charter commissioner shall be filled by either the mayor or county judge subject to confirmation by the city legislative body and fiscal court, respectively, depending upon which of said officials appointed the commissioner creating the vacancy and provided the equal division between the major political parties is not disturbed.

Section 3. A new section of Chapter 67A of the Kentucky Revised Statutes is created to read as follows:

The members of the home rule charter commission shall hold an organizational meeting at the county courthouse on the call of the chairman not more than fifteen days after appointment and confirmation of the charter commission. The charter commission shall be authorized to elect a secretary and such other officers as it may deem necessary. It shall be authorized to conduct hearings and shall seek the views of persons residing in unincorporated areas of the county as well as those living in incorporated areas. It may employ such staff and obtain the services of such consultants and specialists as it may require. Members of the charter commission shall not receive per diem or other compensation for their services, except reimbursement of actual expenses by members. The staff employed by the charter commission shall be paid compensation as determined by the charter commission within the limits of funds available to it under the provisions of this Act, and consistent with com-

pensation paid to comparable positions in city and county government.

Section 4. A new section of Chapter 67A of the Kentucky Revised Statutes is created to read as follows:

The fiscal court and the city legislative body may appropriate out of general revenue for the reasonable expenses and accommodations necessary for the work of the charter commission. The charter commission shall have the right to receive, hold and spend funds which it may legally receive from any and every source both in and out of the Commonwealth of Kentucky, including the United States government, for the purpose of carrying out the provisions of this Act. A certified annual audit shall be performed of all receipts, expenditures and funds on hand by an official of the city and of the county, or an accountant, and the audit shall be spread on the minutes of the commission. All public officials shall, upon request, furnish the charter commission with all reasonable information and assistance necessary or appropriate for its work.

Section 5. A new Section of Chapter 67A of the Kentucky Revised Statutes is created to read as follows:

(1) Any home rule charter commission established pursuant to this Act shall prepare a plan for improvement of government in the county in which it is established, which plan if approved by the voters shall together with complementary statutes governing cities of the first class constitute the charter for the government of the city and together with statutes governing counties containing cities of the first class constitute the charter for the government of the county. The charter shall be county-wide in its application and shall include provisions for the consolidation of units of government and a reduction in the number of units of government in the county. It shall provide for the joining of the areas outside the city of the first class to that city but shall preserve the county government, its constitutional officers, and the functions assigned to it by the charter and by state statutes. It may include provisions relative to a re-allocation of functions between city and county governments and shall provide for a gradual extension of urban services to all areas of the county as needed. It shall provide that services rendered

by the county shall be furnished in all areas of the county alike and equally. It shall include steps to reduce or eliminate duplication and overlapping functions and for the transfer of units and personnel in implementation of those steps. It may also include provisions for the reduction, alteration, consolidation or discontinuance of joint city-county agencies. It shall include provisions encouraging the retention and development of neighborhood organizations of a non-governmental nature. It should authorize decentralized administration of municipal functions where feasible. It may provide for any other improvement within the constitutional limitations pertaining to municipal government.

(2) The charter shall include provisions relating to the drawing and periodic redrawing of district boundary lines for the purpose of assuring that all parts of the county governed by the new charter are represented in the new legislative body. It shall also include a schedule of implementation that will allow for the election of municipal legislators before the new charter is put into effect. The charter may provide that following its adoption joint legislative action may be taken by the legislative body of the city of the first class and the fiscal court of the county on terms prescribed in the charter.

(3) The charter shall contain provisions for the establishment of differences in the rate of ad valorem taxes to reflect differences in the level of urban services being furnished to different areas of the city in accordance with the provisions of Section 172A of the Constitution, not inconsistent with any general statutes of state-wide application.

(4) The charter may contain other provisions not inconsistent with this Act.

Section 6. A new Section of Chapter 67A of the Kentucky Revised Statutes is created to read as follows:

Upon completion of the charter by the home rule charter commission, copies shall be transmitted to the city legislative body and fiscal court for their approval before any further action is taken on it. If the charter is approved by both bodies, it shall be certified by the charter commission and copies filed with the clerk of the county court and with the city clerk of each incorporated municipality in the county. Copies of the charter

shall be public records, available for inspection or examination by any interested person. The charter commission shall take such other steps within the limitation of its available funds as it deems reasonable and appropriate to inform the public throughout the county of the contents of the proposed charter, and the same may be published or summarized in pamphlets and booklets to be made available for general distribution.

Section 7. A new Section of Chapter 67A of the Kentucky Revised Statutes is created to read as follows:

(1) After a copy of the proposed charter has been certified to the county clerk, the county clerk shall cause the proposed charter to be submitted to the voters for ratification or rejection in accordance with the provisions of Chapter 118 of the Kentucky Revised Statutes relating to public questions. Notice of said referendum shall be given as provided by law. The returns shall be canvassed and the results certified in a manner to be determined by the 1972 General Assembly.

(2) Within the county the provisions of KRS 118.440 relating to challengers and inspectors for constitutional amendments shall extend to proponents and opponents of the charter.

(3) Should the charter be adopted a copy of the charter shall be certified to and a copy filed with the Secretary of State and a duplicate certified copy of the charter shall be filed with the county court clerk. The two duplicate certified copies, with attached proclamations showing the result of the election on the adoption or rejection of the charter, shall be deemed duplicate original copies of the charter of the new city government.

Section 8. A new Section of Chapter 67A of the Kentucky Revised Statutes is created to read as follows:

If the proposed charter is ratified and adopted, the new city government shall be bound for all the debts and liabilities and shall be the owner of all corporate property, franchises and rights of any city which elects by a majority vote to become a part of the new city government except that the charter shall allow the incorporated city, other than the city of the first class, up to six months in which to spend its cash reserves, at the end of which period any such city shall cease to exist.

Section 9. A new Section of Chapter 67A of the Kentucky Revised Statutes is created to read as follows:

Any incorporated city, other than the city of the first class, which has been excluded by its election from the new city government may at any time surrender its municipal charter and become a part of the new government under such terms and conditions and by such methods and procedures as may be established in the charter of the new city government; provided, that no such consolidation shall become effective until submitted to the qualified voters residing within the excluded city and approved by a majority of those voting.

Section 10. A new Section of Chapter 67A of the Kentucky Revised Statutes is created to read as follows:

The charter shall contain provisions setting forth the criteria to be used in determining those areas within the boundaries of the county which may be deemed to constitute rural areas for purposes of receiving state aid or other grants-in-aid which may be distributed to the county on the basis of rural area, rural road mileage or rural population, or any combination thereof.

Section 11. A new Section of Chapter 67A of the Kentucky Revised Statutes is created to read as follows:

The provisions of a charter approved under the referendum provided by this Act shall be superior to and prevail over existing general statutes governing local affairs which are inconsistent with them. However, nothing herein is to be construed to deny the authority of the General Assembly to alter these provisions by subsequent enactment.

Section 12. A new Section of Chapter 67A of the Kentucky Revised Statutes is created to read as follows:

If any provisions, clause, or phrase of this Act or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of this Act which can be given effect without the invalid provisions or applications, and to this end the provisions of this Act are declared to be separable.

The Committee on Appropriations and Revenue reported

HB 206 with Committee Amendment attached thereto and **HB 142** with Committee Substitute attached thereto, with the expression of opinion that the same should pass. Ordered placed in Orders of the Day.

The Committee Amendment to **HB 206** is as follows:

Amend printed copy of House Bill 206 on page 1, line 3, by:
inserting after the word "education" the words *"which furnished transportation of any sort during the 1969-70 school year"*

Committee Substitute, HB 142, AN ACT relating to sick leave for teachers.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Section 161.155 of the Kentucky Revised Statutes is amended to read as follows:

(1) For the purpose of this section, "teacher" shall mean any person for whom certification is required as a basis of employment in the common schools of the state.

(2) Each district board of education shall allow to each teacher in its common school system not less than ten days' sick leave during each school year, without deduction of salary. [,] *Sick leave shall be granted to a teacher if* [provided] he presents a personal affidavit or a certificate of a reputable physician stating that *the teacher* [he] was ill on the day or days absent. *The ten days of sick leave herein granted may be taken by a teacher on any ten days of the school year and shall be granted in addition to accumulated sick leave days that have been credited to the teacher under the provisions of subsection (3) of this section.*

(3) [Any] *D*ays of sick leave not taken *by a teacher* during any school year shall accumulate and *be credited to that teacher. Accumulated sick leave* may be taken in any [subsequent] school year or years, except that no teacher shall be entitled to take more than *sixty* [twenty] days of accumulated sick leave unless the district board of education [, in its discretion,] authorizes a greater number of days to be accumulated. Any district board of education may, in its discretion, allow

teachers in its common school system sick leave in excess of the number of days prescribed in this section.

(4) Each district board of education may adopt regulations under which any teacher may use accumulated sick leave days for personal reasons of an emergency or extraordinary nature, not to exceed three days per school year.

The Committee on Appropriations and Revenue reported **HB 697** with Committee Substitute attached thereto, **HB 219** with Committee Amendment attached thereto, **HB 252** with Committee Amendment attached thereto, **HB 526** with Committee Amendment attached thereto, and **SB 259** with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 697, AN ACT relating to school taxes.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Section 160.593 of the Kentucky Revised Statutes is amended to read as follows:

One or more boards of education of school districts which contain at least ninety percent of the county's inhabitants may, after compliance with the public hearing requirement contained in KRS 160.603, request the fiscal court to levy *two* [one] of the school taxes authorized by KRS 160.593 to 160.597, 160.601 to 160.627, 160.633 to 160.648. The fiscal court shall levy, within fifteen days of such request, the school tax at the rate requested.

Section 2. Section 160.595 of the Kentucky Revised Statutes is amended to read as follows:

The imposition of school taxes authorized by KRS 141.042, 141.044, 157.390, 157.420, 160.593 to 160.597, 160.601 to 160.627, 160.633 to 160.648 shall be by order or resolution of the fiscal court. No more than *two* [one] such orders or resolutions shall be passed in any one calendar year, and no more than *two* [one] school tax*es* authorized by KRS 141.042, 141.044, 157.390, 157.420, 160.593 to 160.597, 160.601 to 160.627, 160.633 to 160.648 shall be in effect in any one county at any one time. Any school tax levied under the provisions of KRS 160.593 to 160.597, 160.601

to 160.627, 160.633 to 160.648 shall be levied on a county-wide basis.

Committee Substitute, HB 697, AN ACT relating to school taxes.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Section 160.593 of the Kentucky Revised Statutes is amended to read as follows:

(1) In all counties except counties containing a city of the first class, one [One] or more boards of education of school districts which contain at least ninety percent of the county's inhabitants may, after compliance with the public hearing requirement contained in KRS 160.603, request the fiscal court to levy one of the school taxes authorized by KRS 160.593 to 160.597, 160.601 to 160.627, 160.633 to 160.648. The fiscal court shall levy, within fifteen days of such request, the school tax at the rate requested.

(2) In counties containing a city of the first class, one or more boards of education of school districts which contain at least ninety percent of the county's inhabitants may, after compliance with the public hearing requirement contained in KRS 160.603, request the fiscal court to levy two of the school taxes authorized by KRS 160.593 to 160.597, 160.601 to 160.627, 160.633 to 160.648. The fiscal court shall levy, within fifteen days of such request, the school tax at the rate requested.

Section 2. Section 160.595 of the Kentucky Revised Statutes is amended to read as follows:

(1) In all counties except counties containing a city of the first class, the [The] imposition of school taxes authorized by KRS 141.042, 141.044, 157.390, 157.420, 160.593 to 160.597, 160.601 to 160.627, 160.633 to 160.648 shall be by order or resolution of the fiscal court. No more than one such order or resolution shall be passed in any one calendar year, and no more than one school tax authorized by KRS 141.042, 141.044, 157.390, 157.420, 160.593 to 160.597, 160.601 to 160.627, 160.633 to 160.648 shall be in effect in any one county at any one time. Any school tax levied under the provisions of KRS 160.593 to 160.597,

160.601 to 160.627, 160.633 to 160.648 shall be levied on a county-wide basis.

(2) In counties containing a city of the first class, the imposition of school taxes authorized by KRS 141.042, 141.044, 157.390, 157.420, 160.593 to 160.597, 160.601 to 160.627, 160.633 to 160.648 shall be by order or resolution of the fiscal court. No more than two such orders or resolutions shall be passed in any one calendar year, and no more than two school taxes authorized by KRS 141.042, 141.044, 157.390, 157.420, 160.593 to 160.597, 160.601 to 160.627, 160.633 to 160.648 shall be in effect in any one county at any one time. Any school tax levied under the provisions of KRS 160.593 to 160.597, 160.601 to 160.627, 160.633 to 160.648 shall be levied on a county-wide basis.

HB 219, AN ACT relating to the state income tax.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Subsection (10) of Section 141.010 of the Kentucky Revised Statutes is amended to read as follows:

(10) "Adjusted gross income" in the case of taxpayers other than corporations means gross income as defined in subsection (9) of this section minus the deductions allowed individuals by Section 62 of the Internal Revenue Code and adjusted as follows, except that deductions shall be limited to amounts allocable to income subject to taxation under the provisions of this chapter, and except that nothing in this chapter shall be construed to permit the same item to be deducted more than once:

(a) Include all overpayments of federal income tax refunded or credited to the taxpayer during the taxable year;

(b) Deduct federal income tax;

(c) Deduct all amounts up to $5,000 from annuities received from the federal civil service retirement system;

The Committee Amendment to **HB 219** is as follows:

Amend printed copy of House Bill 219 on page 2, lines 7 and 8, by: striking those lines and substituting therefor the following:

"(c) Deduct all amounts up to $3,600 from annuities re-

ceived from the federal civil service retirement system when the following conditions are met:

1. The annuitant is sixty-five or more years of age in the taxable year; and

2. The annuitant's total income from all other sources does not exceed $3,000 during the taxable year;"

HB 252, AN ACT to establish the Kentucky state kidney disease institute.

WHEREAS, one of the major problems facing medicine and the public health and welfare is the lack of trained individuals, available facilities, research and equipment for the discovery, evaluation, diagnosis, treatment and cure of kidney disease; and

WHEREAS, no parallel situation in medicine exists today where techniques have been developed for the diagnosis and prevention of disease which would save lives, yet at the same time people continue to progress to chronic kidney disease and death only for the lack of facilities for diagnosis and treatment; and

WHEREAS, Kentucky must take the initiative to combat this indiscriminate and often needless killer; and

WHEREAS, basic research is needed into the nature of diseases of the kidneys and the problems of kidney transplantation, in developing mass testing procedures for the early detection of kidney disease and for the development of more effective and economical devices for blood purification; and

WHEREAS, an intensive survey of state-wide needs and facilities is necessary to formulate a long-range program for the state; and

WHEREAS, it is imperative that a comprehensive program to combat kidney disease be implemented through the combined and correlated efforts of state and local governments, medicine, universities, non-profit organizations and individuals; and

WHEREAS, the program provided by this article is designed to bring to bear all the possible resources of the state and to coordinate the efforts of the state in this vital matter of public health;

NOW, THEREFORE,

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. A new section of Chapter 211 of the Kentucky Revised Statutes is created to read as follows:

(1) The Kentucky state kidney disease institute is hereby created within the Department of Health.

(2) The commissioner shall appoint a director of the institute and may employ such assistants and personnel, within the amounts appropriated, as is necessary to carry out the provisions of this Act.

Section 2. A new section of Chapter 211 of the Kentucky Revised Statutes is created to read as follows:

(1) In order to further the declared purposes of this Act, the institute shall have the following functions, powers and duties:

(a) To conduct a survey of all of the existing facilities within the state having to do with the diagnosis, evaluation and treatment of patients with kidney disease and to prepare and submit its findings and a specific program of action.

(b) To evaluate the need for the creation of local or regional facilities and for the establishing of a major kidney research center.

(c) To develop and administer scientific investigations into the cause, prevention, methods of treatment and cure of renal disease, including research into transplantation of kidneys.

(d) To develop techniques for an effective method of mass testing for the detection of kidney diseases and urinary tract infections.

(e) To develop more efficient methods of medical care for kidney disease and to develop more effective and economical kidny dialysis equipment.

(f) To survey and evaluate the need for a program of professional education and training for medical students, physicians and nurses in the care and treatment of kidney diseases.

(g) To report to the governor and to a committee of the

legislature annually on or before February first its findings, a progress report, its activities carried on under this Act and the state's total needs in this area.

(h) To enter into such contracts and agreements with individuals, colleges, universities, associations, corporations, municipalities and other units of government as may be deemed necessary and advisable to carry out the general intent and purposes of this article. Such contracts may provide for payment by the state, within the limit of funds available, for materials, equipment or services.

(2) The commissioner may adopt rules and regulations necessary to effect the purposes and provisions of this Act.

Section 3. A new section of Chapter 211 of the Kentucky Revised Statutes is created to read as follows:

(1) An advisory council is hereby established to consist of nine members appointed by the governor, to serve at the pleasure of the governor. The governor shall designate a chairman from among the members of the advisory council to serve as such at the pleasure of the governor. In appointing the members of the council the governor shall consider recommendations from agencies and organizations primarily concerned with the diagnosis, evaluation and treatment of kidney diseases. The members of the council shall be representative of the public including duly licensed physicians and representatives of public health agencies, hospitals, nursing and non-profit organizations and agencies.

(2) The advisory council shall advise the commissioner with respect to the discharge of the powers, responsibilities and duties of the institute.

(3) The council shall meet at least twice a year. Special meetings may be called by the chairman, and shall be called by him at the request of the governor or the commissioner.

(4) No member of the council shall be disqualified from holding any other public office or employment, nor shall he forfeit any such office or employment by reason of his employment hereunder, notwithstanding the provisions of any general, special or local law, ordinance or charter.

(5) The members of the council shall have fixed terms of

three years, provided, however, that of the members first appointed, three shall be appointed for a one year term expiring on August thirty-first, nineteen hundred seventy-one, three shall be appointed for a two year term expiring on August thirty-first, nineteen hundred seventy-two, and three shall be appointed for a three year term expiring on August thirty-first, nineteen hundred seventy-three. Each such member shall hold office until his successor shall have been appointed and qualified.

(6) The members of the council shall receive no compensation for their services, but shall be allowed their actual and necessary expenses incurred in the performance of their duties hereunder.

Section 4. To carry out the purposes of this Act, $250,000 are hereby appropriated for the fiscal year 1970-1971 and $250,000 for the fiscal year 1971-1972 from the General Expenditure Fund of the State Treasury.

Section 5. A new section of Chapter 211 of the Kentucky Revised Statutes is created to read as follows:

The state department of health is authorized upon passage of this Act and upon the signature of the governor to take such steps as may be necessary to enable this act to become fully effective ninety days after the close of this session.

The Committee Amendment to HB 252 is as follows:

Amend printed copy of House Bill 252 on page 5, line 15, by: deleting the figure "$250,000" and substituting therefore the following figure, "$15,000", and on page 5, line 16 by deleting the figure "$250,000" and substituting therefore the following figure, "$15,000".

HB 526, AN ACT relating to police salaries.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. A new section of Chapter 15 of the Kentucky Revised Statutes is created to read as follows:

It is the intention of the General Assembly to assure that the criminal laws of the Commonwealth are enforced fairly and

uniformly throughout the state by strengthening and upgrading local law enforcement; to attract competent, highly qualified young people to the field of law enforcement and to retain well qualified and experienced officers for the purpose of providing maximum protection and safety to the citizens of, and the visitors to, this Commonwealth; and to offer a state monetary supplement for local law enforcement officers while upgrading the educational and training standards of such officers.

Section 2. A new section of Chapter 15 of the Kentucky Revised Statutes is created to read as follows:

As used in this Act, unless the context otherwise requires:

(1) "Local unit" means any city or county, or any combination of cities and counties, of the Commonwealth.

(2) "Police Officer" means a full-time member of a lawfully organized police unit or force of county or city government who is responsible for the prevention and detection of crime and the enforcement of the general criminal laws of the state, but does not include any elected officer, sheriff, deputy sheriff, constable, district detective, or auxiliary police officer.

Section 3. A new section of Chapter 15 of the Kentucky Revised Statutes is created to read as follows:

(1) There is hereby established the law enforcement foundation program fund consisting of appropriations and any other funds, gifts, or grants made available to the state for distribution to local units in accordance with the provisions of this Act.

(2) The resources of the law enforcement foundation program fund shall be paid into the State Treasury and shall be drawn out or appropriated only in aid of local law enforcement as provided hereinafter.

Section 4. A new section of Chapter 15 of the Kentucky Revised Statutes is created to read as follows:

Each local unit which meets the following requirements shall be eligible to share in the distribution of funds from the law enforcement foundation program fund:

(1) Employs one or more police officers;

(2) Pays every police officer a minimum annual salary of $4,350;

(3) Maintains the minimum educational requirement of a high school degree, or its equivalency as determined by the Kentucky Law Enforcement Council, for employment of police officers on or after July 1, 1971; provided, however, that all police officers employed prior to July 1, 1971, shall be deemed to have met the requirements of this subsection;

(4) Requires all police officers employed on or after July 1, 1971, to successfully complete a basic training course of at least 200 hours duration within one year of the date of employment and at a school or department certified by the Kentucky Law Enforcement Council;

(5) Requires all police officers, whether originally employed before or after July 1, 1971, to successfully complete annually an in-service training course appropriate to the officer's rank and of at least 40 hours duration at a school or department certified by the Kentucky Law Enforcement Council;

(6) Requires compliance with all provisions of law applicable to local police, including transmission of data on felony arrests and participation in the Commonwealth's Uniform Crime Reports;

(7) Requires compliance with all reasonable rules and regulations issued by the Department of Public Safety;

(8) Provided, however, that no local unit which meets the criteria of this section shall be eligible to continue sharing in the distribution of funds from the law enforcement foundation program fund unless the local police department actually begins and continues to comply with the requirements of this section; provided, further, that no local unit shall be eligible to share in the distribution of funds from the law enforcement foundation program fund until the local police department has substantially complied with subsections (5), (6), and (7) of this section.

Section 5. A new section of Chapter 15 of the Kentucky Revised Statutes is created to read as follows:

(1) The Department of Public Safety shall administer the law enforcement foundation program fund pursuant to the pro-

visions of this Act and may issue such reasonable rules and regulations as, in its discretion, will facilitate the administration of the fund and further the purposes of this Act.

(2) The Department of Public Safety shall determine which local units are eligible to share in the law enforcement foundation program fund and may withhold or terminate payments to any local unit that does not comply with the requirements of this Act or the rules and regulations issued by the Department.

Section 6. A new section of Chapter 15 of the Kentucky Revised Statutes is created to read as follows:

(1) An eligible local unit shall be entitled to receive 15% of each qualified police officer's annual salary from the law enforcement foundation program fund.

(2) An eligible local unit shall also be entitled to receive, from the law enforcement foundation program fund, 50% of any salary increase paid to police officers solely because of college credits attained; provided, however, that the local unit shall file an educational incentive plan with the Department of Public Safety consistent with the guidelines and standards set down by the Commissioner; provided further, that the state contribution shall not exceed $500 per year for any one police officer and that this provision shall not apply to officers hired or credits attained prior to July 1, 1971.

Section 7. A new section of Chapter 15 of the Kentucky Revised Statutes is created to read as follows:

Law Enforcement Foundation program funds made available to local units shall be received, held and expended in accordance with the provisions of this Act, including the rules and regulations issued by the Department of Public Safety and the following specific restrictions:

(1) Funds provided shall be used only as a cash salary supplement to police officers;

(2) Funds provided shall be used only to compensate police officers who have complied with subsections (3), (4) and (5) of Section 4;

(3) Each police officer shall be entitled to receive the state supplement which his qualifications brought to the local unit;

(4) Funds provided shall not be used to supplant existing salaries or as a substitute for normal salary increases periodically due to police officers.

Section 8. A new section of Chapter 15 of the Kentucky Revised Statutes is created to read as follows:

The Department of Finance, on the certification of the Commissioner of the Department of Public Safety, shall draw warrants as specified hereinafter on the State Treasurer for the amount of the law enforcement foundation program fund due each participating local unit. Checks shall be issued by the State Treasurer and transmitted to the Department of Public Safety for distribution to the proper officials of participating local units which have complied with the provisions of this Act and the rules and regulations of the Department of Public Safety. Beginning July 1, 1971, and on the first day of each month thereafter, the share of each eligible and participating local unit shall be distributed from the law enforcement foundation program fund.

Section 9. A new section of Chapter 15 of the Kentucky Revised Statutes is created to read as follows:

(1) Each participating local unit shall submit reports to the Department of Public Safety on June 30, September 30, December 31, and March 31 of each year containing information relative to number, rank, education, training and compensation of police officers employed by it and the disposition made of any state or other funds received pursuant to this Act. Nothing in this Section shall prohibit the Department of Public Safety from requiring additional information or reports from participating local units.

(2) Local units shall include the additional compensation paid to each police officer from the law enforcement foundation program fund as a part of the officer's salary in determining all payroll deductions.

Section 10. A new section of Chapter 15 of the Kentucky Revised Statutes is created to read as follows:

If funds appropriated by the General Assembly and otherwise made available to the law enforcement foundation program fund are insufficient to provide the amount of money required by Section 6, the Commissioner of Public Safety shall make a percentage reduction in the allotments determined for each participating local unit to the extent necessary to reduce the total of these allotments to funds available.

Section 11. A new section of Chapter 15 of the Kentucky Revised Statutes is created to read as follows:

An appeal may be taken to the Franklin Circuit Court from any decision of the Department of Public Safety withholding or terminating payment from the law enforcement foundation program fund to any local unit. Upon appeal all findings of fact by the Department shall be considered final and conclusive unless there is no evidence to support them.

Section 12. A new section of Chapter 15 of the Kentucky Revised Statutes is created to read as follows:

Any person who knowingly or willfully makes any false or fraudulent statement or representation in any record or report to the Department of Public Safety under this Act, shall be fined not less than one hundred dollars nor more than five hundred dollars, or imprisoned for not less than thirty days nor more than one year, or both.

Section 13. A new section of Chapter 15 of the Kentucky Revised Statutes is created to read as follows:

To carry out the purposes of this Act, there is appropriated to the Local Law Enforcement Foundation Fund, out of the General Expenditure Fund in the State Treasury the sum of two million dollars for the 1971-1972 fiscal year. Unexpended funds shall be carried over, without lapse, into the next fiscal year.

The Committee Amendment to **HB 526** is as follows:

Amend printed copy of House Bill 526 on page 5, line 2, by: deleting the word "provision" and inserting therefor the word "subsection" and by deleting the words "officers hired or" and inserting thereof the word "college"

and on page 7 by deleting lines 21 through 27.

SB 259, AN ACT relating to taxing authority of cities.

WHEREAS, the electorate at the November, 1969, election approved an amendment to the Constitution of the Commonwealth creating Section 172A; and

WHEREAS, said Section 172A reads in part, "The General Assembly may provide for reasonable differences in the rate of ad valorem taxation within different areas of the same taxing districts on that class of property which includes the surface of the land. Those differences shall relate directly to differences between non-revenue-producing governmental services and benefits giving land urban character which are furnished in one or several areas in contrast to other areas of the taxing district."; and

WHEREAS, it is necessary for the General Assembly to enact legislation authorizing cities to proceed under the mandate of the approved Section 172A;

NOW, THEREFORE,

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. A new section of Chapter 82 of the Kentucky Revised Statutes is created to read as follows:

(1) The legislative body of each city of the first, second, third, fourth, fifth, and sixth class may provide by ordinance, for reasonable differences in the rate of ad valorem taxation within different areas of the same taxing district on that class of property which includes the surface of the land. Those differences shall relate directly to differences between non-revenue-producing governmental services and benefits giving the land urban character which are available in one or several areas of a taxing district in contrast to other areas of the same taxing district in which those services and benefits are not available.

(2) These non-revenue-producing governmental services and benefits shall include, but not be limited to, police protection, fire protection, streets, street lighting, sidewalks, water service, and sewer facilities.

(3) This section shall be effective notwithstanding any other statute relating to the uniformity of ad valorem tax assessment.

The Committee on Public Utilities and Transportation reported **HB 194** with Committee Amendment attached thereto, **HB 632, HB 652, HB 721** and **SB 304** with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 194, AN ACT relating to the financial responsibility law.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Subsection (10) of Section 187.290 of the Kentucky Revised Statutes is amended to read as follows:

(10) "Proof of financial responsibility" means proof of ability to respond in damages for liability, on account of accidents occurring subsequent to the effective date of said proof, arising out of the ownership, maintenance or use of a motor vehicle in the amount of *twenty* [ten] thousand dollars because of bodily injury to or death of one person in any one accident, and, subject to said limit for one person, in the amount of *forty* [twenty] thousand dollars because of bodily injury to or death of two or more persons in any one accident, and in the amount of five thousand dollars because of injury to or destruction of property of others in any one accident.

Section 2. Subsection (3) of Section 187.330 of the Kentucky Revised Statutes is amended to read as follows:

(3) No such policy or bond shall be effective under this section unless issued by an insurance company or surety company authorized to do business in this state, except that if such motor vehicle was not registered in this state, or was a motor vehicle which was registered elsewhere than in this state at the effective date of the policy or bond, or the most recent renewal thereof, such policy or bond shall not be effective under this section unless the insurance company or surety company if not authorized to do business in this state shall execute a power of attorney authorizing the department to accept service on its behalf of notice or process in any action upon such policy or bond arising out of such accident; provided, however, every such policy or bond is subject, if the accident has resulted in bodily injury or death,

to a limit, exclusive of interest and costs, of not less than *twenty* [ten] thousand dollars because of bodily injury to or death of one person in any one accident and, subject to said limit for one person, to a limit of not less than *forty* [twenty] thousand dollars because of bodily injury to or death of two or more persons in any one accident, and, if the accident has resulted in injury to or destruction of property, to a limit of not less than five thousand dollars because of injury to or destruction of property, of others in any one accident.

Section 3. Subsection (2) of Section 187.490 of the Kentucky Revised Statutes is amended to read as follows:

(2) The owner's policy of liability insurance:

(a) Shall designate by explicit description or by appropriate reference all motor vehicles with respect to which coverage is thereby to be granted; and

(b) Shall insure the person named therein and any other person, as insured, using any such motor vehicle with the express or implied permission of the named insured, against loss from the liability imposed by law for damages arising out of the ownership, maintenance or use of the motor vehicle within the United States of America or the Dominion of Canada, subject to limits exclusive of interest and costs, with respect to each motor vehicle, as follows: *Twenty* [Ten] thousand dollars because of bodily injury to or death of one person in any one accident and, subject to the limit for one person, *forty* [twenty] thousand dollars because of bodily injury to or death of two or more persons in any one accident, and five thousand dollars because of injury to or destruction of property of others in any one accident.

The Committee Amendment to **HB 194** is as follows:

Amend printed copy of House Bill 194 on page 1, line 7, by: striking the word *"twenty"* and substituting therefor the word *"fifteen"* and on line 9, by striking the word *"forty"* and substituting therefor the word *"thirty"*

and on page 2, line 18, by striking the word *"twenty"* and substituting therefor the word *"fifteen"*

and on line 21, by striking the word *"forty"* and substituting therefor the word *"thirty"*

and on page 3, line 12, by striking the word *"Twenty"* and substituting therefor the word *"Fifteen"*

and on line 14, by striking the word *"forty"* and subsituting therefor the word *"thirty"*

HB 632, AN ACT relating to rural telephone cooperative corporations.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Section 279.330 of the Kentucky Revised Statutes is amended to read as follows:

(1) The articles of incorporation of a corporation formed under KRS 279.310 to 279.600 shall be entitled "Articles of Incorporation of ———————— Rural Telephone [Cooperative] Corporation" and *the title may include the word "Cooperative". The articles* shall recite that they are executed pursuant to KRS 279.310 to 279.600 and shall state:

(a) The name of the corporation.

(b) The address of its principal office.

(c) The names and addresses of the incorporators.

(d) The names and addresses of its trustees.

(e) A general description of the territory in which it proposes to operate.

(2) If a cooperative desires to issue nonvoting shares of stock, its articles of incorporation, in addition to the provisions of subsection (1) of this section, shall state:

(a) The total number of such shares of stock which may be issued and the par value of each share;

(b) The fixed or maximum rate of dividends on the par value of such shares of stock, in either case not exceeding four percent per annum, and whether dividends shall be cumulative or noncumulative;

(c) Whether such shares of stock may be issued to members only or to members and nonmembers;

(d) The maximum number of such shares of stock which may be owned by any person;

(e) The terms and conditions on which such shares of stock may be transferred, redeemed or retired.

Section 2. Section 279.340 of the Kentucky Revised Statutes is amended to read as follows:

The name of a cooperative shall include the words "Telephone," "Telecommunications," ["Cooperative,"] company or corporation and the abbreviation "Inc.," unless, in an affidavit made by its president or vice-president, and filed with the Secretary of State, or in an affidavit made by a person signing articles of incorporation, consolidation, merger or conversion, which relate to such cooperative, and filed, together with any such articles, with the Secretary of State, it shall appear that the cooperative desires to do business in another state and is or would be precluded therefrom by reason of the inclusion of such words or either thereof in its name. *The name may include the word "Cooperative".* The name of a cooperative shall be distinct from the name of any other cooperative or corporation organized under the laws of, or authorized to do business in this state. This section shall not apply to any corporation which becomes subject to KRS 279.310 to 279.600 by complying with the provisions of KRS 279.470, which does business in this state pursuant to KRS 279.570 and which elects to retain a corporate name which does not comply with this section.

HB 652, AN ACT relating to combustion engines.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. A new section of Chapter 234 of the Kentucky Revised Statutes is created to read as follows:

(1) As used in this section, unless the context otherwise requires:

(a) "Combustion engine" means a device which supplies power through the burning, either inside or outside the engine, of a mixture of air and a flammable substance such as gasoline, liquified petroleum gas, kerosene, diesel fuel or other such flammable substance;

(b) "Building" means any enclosed structure in which

humans normally work or live except that this section shall not apply to private residences.

(2) Any building in which a combustion engine is operated shall have an exhaust system capable of removing the exhaust of such engines from the building.

(3) The Department of Public Safety shall enforce this section and may make such rules and regulations necessary to carry out the purposes of this section.

(4) Any person, partnership, firm, corporation or other organization who violates this section shall be guilty of a misdemeanor and fined not more than $100 per day for each day of violation.

Section 2. This Act shall become effective December 31, 1970.

HB 721, AN ACT relating to the sale of gasoline.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. A new section of Chapter 138 of the Kentucky Revised Statutes is created to read as follows:

(1) Notwithstanding any provision of this chapter to the contrary, any individual, firm, copartnership, joint venture, association, or corporation, other than a licensed dealer as defined in KRS 138.210 (2), may purchase from licensed dealers, gasoline upon which the taxes levied by this chapter have not been paid, in lots of not less than one hundred thousand gallons, for resale to licensed dealers as defined in KRS 138.210 (2), or for export provided the purchaser shall have first obtained a broker's permit from the department to purchase gasoline free of the taxes imposed by this chapter under rules and regulations promulgated by the department. The department shall require the posting of a bond in such amount as the department may determine prior to the issuance of a broker's permit.

(2) Holders of broker's permits issued pursuant to the authority granted by subsection (1) of this section shall keep such records and file such returns concerning their purchases

and sales of gasoline as the department may by regulation require.

(3) Broker's permits issued pursuant to the authority granted by subsection (1) of this section may be revoked by the department for noncompliance with the rules and regulations promulgated by the department with respect to the purchase and sale of gasoline as permitted by subsection (1) of this section.

(4) Holders of broker's permits issued under subsection (1) of this section shall be subject to the penalties contained in KRS 138.990 for violation of the statutes relating to the purchase and sale of gasoline.

SB 304, AN ACT relating to motor buses.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. A new section of Chapter 189 of the Kentucky Revised Statutes is created to read as follows:

(1) "Motor bus" shall mean any motor vehicle designed primarily for the transportation of passengers and having a seating capacity in excess of nine passengers including the driver.

(2) No person shall operate on any highway, except such highways as may be designated by the Commissioner of Highways pursuant to subsection (3) of this section, any motor bus which exceeds, including any part of the body or load 11 feet 6 inches in height, 40 feet in length, 20 tons in gross weight, or 96 inches in width, exclusive of any required safety equipment.

(3) The Commissioner of Highways, in respect to highways which are a part of the state-maintained system, by official order may increase the maximum height of a motor bus to 12 feet 6 inches and the maximum width of a motor bus to 102 inches, exclusive of any required safety equipment and tire bulge due to loads, if in the opinion of the Commissioner the increased height and width designated by him is justified by the width of such highways, provided, however, that any such increase in the width of motor buses or designation of highways to be used by them shall not, in any way, exceed the Federal law or regulations

thereunder or jeopardize the allotment or qualification for Federal Aid Funds of the Commonwealth of Kentucky.

Section 2. Section 281.735 of the Kentucky Revised Statutes is amended to read as follows:

(1) The department shall, in its safety regulations, prescribe rules prohibiting overcrowding in the various types of motor vehicles carrying passengers for hire.

(2) The owner or driver or chauffeur of any motor vehicle for the transportation of passengers shall not permit any passengers to ride upon the steps or running-board of any such motor vehicle, nor shall he permit any passenger to ride on the top of any such motor vehicle unless the top has been designed and equipped with seats constructed for such use and provided with protecting railing or protective enclosure on all four sides of the top of the vehicle, and unless such use has been authorized by a certificate issued by the department.

(3) No motor carrier shall operate a motor vehicle for the transportation of persons for hire, except city and suburban busses, with an extreme width exceeding ninety-six inches, *except upon such highways which are a part of the state-maintained system upon which increased widths have been authorized by order of the Commissioner of Highways as provided by law.* The extreme width of a city or suburban bus shall not exceed one hundred and two inches.

The Committee on Business Organizations and Professions reported **HB 490**, with Committee Amendment attached thereto, with the expression of opinion that the same should pass. Ordered placed in Orders of the Day.

The Committee Amendment to **HB 490** is as follows:

Amend printed copy of House Bill 490 on page 7, lines 2-21, by:

striking lines 2 through 21 in their entirety.

The Committee on Business Organizations and Professions reported **HB 377, HB 663** and **SB 169** with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 377, AN ACT excluding foster homes, group homes, child-caring institutions or agencies and day-care centers from definition as restaurant.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 219.010 of the Kentucky Revised Statutes is amended to read as follows:

(1) Every building or structure kept, used, maintained, advertised or held out to the public as a place where sleeping accommodations are furnished to the public, whether with or without meals, shall, for the purpose of this chapter, be deemed a hotel.

(2) Every building or structure kept, used, maintained, advertised or held out to the public as a place where meals and lunches are served without sleeping accommodations shall, for the purpose of this chapter, be deemed a restaurant, and the person in charge thereof, whether as owner, lessee, manager or agent, shall be deemed proprietor of the restaurant. *Foster homes and group homes operated by the Department of Child Welfare and licensed child-caring agencies or institutions and day-care centers licensed by the Department of Child Welfare shall not be considered restaurants.*

HB 663, AN ACT relating to prizes requiring an additional act or purchase.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. A new section of Chapter 367 of the Kentucky Revised Statutes is created to read as follows:

The notification to any person by any means, as a part of an advertising plan or scheme, that he has won a prize and requiring him to do any act, purchase any other item or submit to a sales promotion effort is an unlawful practice.

Section 2. A new section of Chapter 367 of the Kentucky Revised Statutes is created to read as follows:

The Attorney General may enforce the provisions of Section 1 of this Act by civil action for injunctive relief in the

Franklin Circuit Court or in any circuit court having jurisdiction. In such action to obtain said injunction it shall be sufficient to allege and prove that a violation of this Act has occurred, and it shall not be necessary to allege or prove that any person has been damaged or has sustained loss as a result of any violation of this Act.

SB 169, AN ACT relating to the licensing of custom paint sprayers.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Section 246.010 of the Kentucky Revised Statutes is amended to read as follows:

As used in this chapter, unless the context requires otherwise:

(1) "Board" means the State Board of Agriculture;

(2) "Commissioner" means the Commissioner of Agriculture;

(3) "Department" means the Department of Agriculture.

(4) "Owner" means any individual, firm, partnership, corporation, organization, association, or any combination thereof who owns a business for the purpose of applying paint to structures of any nature by means of spray equipment of any kind; and

(5) "Structure" means a building erected as a shelter for human beings, animals or agricultural products, equipment, or supplies.

Section 2. A new section of Chapter 246 of the Kentucky Revised Statutes is created to read as follows:

Any resident of the Commonwealth of Kentucky engaged in the business of applying paint to any structure by means of spray equipment within the Commonwealth shall, before engaging in such business, register with the department and pay an annual license fee of $10. Non-residents shall register with the department and pay an annual license fee of $50 plus $10 for each unit of operation in excess of one before engaging in such

business. An additional license shall be required for each such place of business maintained.

Section 3. A new section of Chapter 246 of the Kentucky Revised Statutes is created to read as follows:

The board shall have the power to promulgate reasonable rules and regulations concerning the following matters:

(1) Standards of materials used;

(2) Standards of application and workmanship;

(3) Proper safety precautions;

(4) Requirements for contractual responsibilities and fulfillment of agreements;

(5) Proof of financial responsibility;

(6) Furnishing of information necessary for the proper administration of this Act; and

(7) Any other matter necessary for the proper administration of this Act.

Section 4. A new section of Chapter 246 of the Kentucky Revised Statutes is created to read as follows:

The duly authorized agents of the department shall have all the power of peace officers in administering the provisions of this Act.

Section 5. A new section of Chapter 246 of the Kentucky Revised Statutes is created to read as follows:

Licenses may be suspended or revoked by the commissioner for the following causes:

(1) Making or causing to be made misrepresentations for the purpose of defrauding the public;

(2) Failing to pay any final judgment rendered by reason of liabilities resulting from activities prescribed by this Act;

(3) Refusal to provide the department with reasonable information upon request;

(4) Any other conduct that constitutes improper, fraudulent, or dishonest dealing;

(5) Any violation of this Act or any regulation promulgated thereunder.

Section 6. A new section of Chapter 246 of the Kentucky Revised Statutes is created to read as follows:

The commissioner shall conduct a public hearing on the question of revocation or suspension of a spray painter's license. The owner of such license shall be given notice in writing not less than ten days prior to the date of such hearing, by registered and prepaid mail. The owner may appear in person, with counsel at such hearing.

Section 7. A new section of Chapter 246 of the Kentucky Revised Statutes is created to read as follows:

If the license is to be revoked or suspended, or if an application for license is refused, the commissioner shall notify the applicant or owner within ten days after such decision is made. The applicant may within fifteen days appeal to the circuit court in the county in which he intends to operate his business. If appeal is taken the decision by the commissioner shall not become final until final adjudication by the circuit court. The commissioner may, however, require the posting of a reasonable bond pending final adjudication.

Section 8. A new section of Chapter 246 of the Kentucky Revised Statutes is created to read as follows:

In the event of any change in ownership in a spray painting business, the new owner shall, within thirty days or acquiring ownership, make application for a spray-painting license in conformity with the provisions of this Act. If the application is approved, no further license fee shall be required for the period covered by the license issued to the former owner.

Section 9. A new section of Chapter 246 of the Kentucky Revised Statutes is created to read as follows:

This Act shall not apply to any individual working on his own premises or to regular employes working on the property of their employer.

Section 10. A new section of Chapter 246 of the Kentucky Revised Statutes is created to read as follows:

All license fees and all other fees collected under this Act shall be paid into the State Treasury to the credit of a revolving fund for the use of the department in carrying out the provisions of this Act.

Section 11. A new section of Chapter 246 of the Kentucky Revised Statutes is created to read as follows:

Any person violating any of the provisions of this Act shall be fined not less than $100 nor more than $500, and imprisoned not more than one year, or both. Each violation shall be deemed a separate offense.

The Committee on Judiciary reported **SB 261, HB 662, HB 433. HB 596, HB 550, HB 230, HB 496** with Committee Amendment attached thereto, **HB 511** with Committee Amendment attached thereto, **HB 602** with Committee Amendment attached thereto, **HB 445** with Committee Amendment attached thereto, **HB 664. HB 514** with Committee Substitute attached thereto, and **HB 658** with Committee Amendment attached thereto, with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

SB 261, AN ACT providing for a defender system.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Chapter 31 of the Kentucky Revised Statutes is hereby established and a new section thereof is created to read as follows: In this Act, the term:

(1) "detain" means to have in custody or otherwise deprive of freedom of action;

(2) "expenses," when used with reference to representation under this Act, includes the expenses of investigation, other preparation, and trial;

(3) "needy person" means a person who at the time his need is determined is unable to provide for the payment of an attorney and all other necessary expenses of representation;

(4) "serious crime" includes:

(a) a felony;

(b) a misdemeanor or offense any penalty for which includes the possibility of confinement for 6 months or more or a fine of $500 or more; and,

(c) an act that, but for the age of the person involved, would otherwise be a serious crime.

Section 2. A new section of Chapter 31 of the Kentucky Revised Statutes is created to read as follows: (1) A needy person who is being detained by a law enforcement officer, or who is under formal charge of having committed, or is being detained under a conviction of, a serious crime, is entitled:

(a) to be represented by an attorney to the same extent as a person having his own counsel is so entitled; and,

(b) to be provided with the necessary services and facilities of representation including investigation and other preparation. The courts in which the defendant is tried shall waive all costs.

(2) A needy person who is entitled to be represented by an attorney under subsection (1) is entitled:

(a) to be counseled and defended at all stages of the matter beginning with the earliest time when a person providing his own counsel would be entitled to be represented by an attorney and including revocation of probation or parole;

(b) to be represented by any appeal; and

(c) to be represented in any other post-conviction proceeding that the attorney or the needy person considers appropriate, unless the court in which the proceeding is brought determines that it is not a proceeding that a reasonable person with adequate means would be willing to bring at his own expense.

(3) A needy person's right to a benefit under subsection (1) or (2) is not affected by his having provided a similar benefit at his own expense, or by his having waived it, at an earlier stage.

Section 3. A new section of Chapter 31 of the Kentucky Revised Statutes is created to read as follows: (1) The deter-

mination of whether a person covered by Section 2 is a needy person shall be deferred until his first appearance in court or in a suit for payment or reimbursement under Section 8, whichever occurs earlier. Thereafter, the court concerned shall determine, with respect to each proceeding, whether he is a needy person.

(2) In determining whether a person is a needy person and in determining the extent of his inability to pay, the court concerned may consider such factors as income, property owned, outstanding obligations, and the number and ages of his dependents. Release on bail does not necessarily prevent him from being a needy person. In each case, the person, subject to the penalties for perjury, shall certify in writing or by other record such material factors relating to his ability to pay as the court prescribes.

(3) To the extent that a person covered by Section 2 is able to provide for an attorney, the other necessary services and facilities of representation, and court costs, the court may order him to provide for their payment.

Section 4. A new section of Chapter 31 of the Kentucky Revised Statutes is created to read as follows: At any stage, including appeal or other post-conviction proceeding, the public defender may for good cause assign a substitute attorney. The substitute attorney has the same functions with respect to the needy person as the attorney for whom he is substituted. The court shall prescribe reasonable compensation for him and approve the expenses necessarily incurred by him in the defense of the needy person.

Section 5. A new section of Chapter 31 of the Kentucky Revised Statutes is created to read as follows: A person who has been appropriately informed under Section 3 may waive in writing, or by other record, any right provided by this Act, if the court concerned, at the time of or after waiver, finds of record that he has acted with full awareness of his rights and of the consequences of a waiver and if the waiver is otherwise according to law. The court shall consider such factors as the person's age, education, and familiarity with English, and the complexity of the crime involved.

Section 6. A new section of Chapter 31 of the Kentucky Revised Statutes is created to read as follows: (1) The county attorney, on behalf of the county, or any other contributing agency in its behalf, may recover payment or reimbursement, as the case may be, from each person or his estate who has received legal assistance or another benefit under this Act:

(a) to which he was not entitled;

(b) with respect to which he was not a needy person when he received it; or

(c) with respect to which he has failed to make the certification required by Section 3(2);

and for which he refuses to pay or reimburse. Suit must be brought within 10 years after the date on which the aid was received.

(2) The county attorney, on behalf of the county, or any other contributing agency in its behalf, may recover payment or reimbursement, as the case may be, from each person, other than a person covered by subsection (1), who has received legal assistance under this Act and who, on the date on which suit is brought, is financially able to pay or reimburse the county for it according to the standards of ability to pay applicable under Sections 1(3), 2(1) and 3(2), but refuses to do so. Suit must be brought within 10 years after the date on which the benefit was received.

(3) Amounts recovered under this section shall be paid into the county general fund, or to any other contributing agency.

Section 7. A new section of Chapter 31 of the Kentucky Revised Statutes is created to read as follows: (1) The Fiscal Court of each county may provide for the representation of needy persons who with respect to serious crimes are subject to proceedings in the county or are detained in the county by law enforcement officers. They may provide this representation by:

(a) establishing and maintaining an office of public defender;

(b) arranging with an appropriate non-profit organization to provide attorneys;

(c) arranging with the courts of criminal jurisdiction in

the county to assign attorneys on an equitable basis through a systematic coordinated plan and, if the county contains a city of the first or second class under the guidance of an administrator; or

(d) adopting a combination of these alternatives.

(2) If it elects to arrange with a non-profit organization to provide attorneys, the Fiscal Court of a county may join with one or more other counties in arranging with such an organization.

(3) If it elects to establish and maintain an office of public defender, and if the appropriate legislative authorities and fiscal courts concerned respectively agree on qualifications, term of office, compensation, support and appointment under Section 8(1), and the Fiscal Court of a county may join with cities within said county and with the Fiscal Court of one or more other counties to establish and maintain a joint office of public defender. In that case the participating counties shall be treated for the purposes of this Act as if they were one county.

(4) If the Fiscal Court of a county elects to arrange with the courts of criminal jurisdiction in the county to assign attorneys, a court of the county may provide for advance assignment of attorneys, subject to later approval by it, to facilitate representation in matters arising before appearance in court.

Section 8. A new section of Chapter 31 of the Kentucky Revised Statutes is created to read as follows: (1) If the Fiscal Court of a county elects to establish and maintain an office of public defender, they shall:

(a) Appoint the Public Defender and any number of Assistant Public Defenders necessary to adequately perform the functions of said office.

(b) Prescribe the qualifications of the Public Defender, his term of office which may not be more than 4 years and fix the rate of annual compensation for him and his assistants. In order to be qualified for appointment as Public Defender a person must have been admitted to the practice of law for a period of 5 years and licensed to practice in the Commonwealth of Kentucky and be competent to counsel and defend a person charged with a crime. During his incumbency neither the Public

Defender nor any of his assistants shall engage in the practice of criminal law other than in the discharge of his duties.

(c) Provide for the establishment, maintenance and support of his office.

(2) If the Fiscal Court of a county elects to arrange with a non-profit organization to provide defenders, the county may reimburse the organization for such direct expenses as the courts respectively concerned have determined to be necessary in the representation of needy persons under this Act.

(3) If a court assigns an attorney to represent a needy person it shall prescribe a reasonable rate of compensation for his services and shall determine the direct expenses necessary to representation for which he would be reimbursed. The county shall pay the attorney the amounts so prescribed.

(4) An attorney under subsection (2) or (3) shall be compensated for his services with regard to the complexity of the issues, the time involved, and other relevant considerations. However, he may be compensated at a rate no higher than $15.00 an hour for time spent in court and no higher than $10.00 an hour for time spent out of court subject in each case to a maximum total fee of $500.00 in case of a felony and $300.00 in any other case, unless the court concerned finds that special circumstances warrant a higher total fee.

Section 9. A new section of Chapter 31 of the Kentucky Revised Statutes is created to read as follows: (1) If an office of public defender has been established, the public defender may employ, in the manner and at the compensation prescribed by the Fiscal Court, as many assistant public defenders, clerks, investigators, stenographers, and other persons as the Fiscal Court considers necessary for carrying out his responsibilities under this Act. A person employed under this section serves at the pleasure of the public defender, unless his position is under a civil service system in which he may be removed only for cause.

(2) If an office of public defender has been established, the Fiscal Court shall:

(a) provide appropriate facilities (including office space,

furniture, equipment, books, postage, supplies, and interviewing facilities in the jail) necessary for carrying out the public defender's responsibilities under this Act; or

(b) grant the public defender an allowance in place of those facilities.

(3) Any defending attorney is entitled to use the same state facilities for the evaluation of evidence as are available to the attorney representing the Commonwealth. If he considers their use impractical, the court concerned may authorize the use of private facilities to be paid for on court order by the county.

Section 10. A new section of Chapter 31 of the Kentucky Revised Statutes is created to read as follows: (1) The Fiscal Court of each county shall annually appropriate enough money to administer the program of representation that it has elected under Section 7.

(2) If the Fiscal Court of a county elects to establish and maintain an office of public defender, the county may accept private or public contributions toward the support of his office.

Section 11. A new section of Chapter 31 of the Kentucky Revised Statutes is created to read as follows: (1) Subject to Section 10, any direct expense, including the cost of a transcript (or bystander's bill of exceptions or other substitute for a transcript) that is necessarily incurred in representing a needy person under this Act, is a charge against the county on behalf of which the service is performed.

(2) If 2 or more counties jointly establish an office of public defender, the expenses not otherwise allocable among the participating counties under subsection (1) shall be allocated, unless the counties otherwise agree, on the basis of population according to the most recent decennial census.

Section 12. A new section of Chapter 31 of the Kentucky Revised Statutes is created to read as follows: (1) A defending attorney shall keep appropriate records respecting each needy person whom he represents under this Act.

(2) The public defender, non-profit organization, or person administering a court-assigned defender plan, as the case may

be, shall submit an annual report to the Fiscal Court showing the number of persons represented under this Act, the crimes involved, the outcome of each case, and the expenditures (totalled by kind) made in carrying out the responsibilities imposed by this Act. A copy of the report shall also be submitted to each court having criminal jurisdiction in the counties that the program serves.

Section 13. A new section of Chapter 31 of the Kentucky Revised Statutes is created to read as follows: This Act applies only to representation in the courts of this state, except that it does not prohibit a defending attorney from representing a needy person in a federal court of the United States, if:

(a) the matter arises out of or is related to an action pending or recently pending in a court of criminal jurisdiction of the state; or

(b) representation is under a plan of the United States District Court as required by the Criminal Justice Act of 1964 (18 U.S.C. 3006A) and is approved by the Fiscal Court.

Section 14. A new section of Chapter 31 of the Kentucky Revised Statutes is created to read as follows: The protections provided by this Act do not exclude any protection or sanction that the law otherwise provides.

Section 15. If any provision of this Act or the application thereof to any person or circumstance is held invalid, the invalidity does not affect other provisions or applications of the Act which can be given effect without the invalid provision or application, and to this end the provisions of this Act are severable.

Section 16. A new section of Chapter 31 of the Kentucky Revised Statutes is created to read as follows:

This Act shall apply only to counties which contain cities of the first class.

HB 662, AN ACT relating to referral selling, and lotteries.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Section 436.360 of the Kentucky Revised Statutes is amended to read as follows:

(1) Any person who sets up, conducts, manages, operates, draws, or otherwise promotes or assists in setting up, conducting, managing, operating, drawing or in otherwise promoting any lottery or gift enterprise, whereby money or anything of value is or is pretended to be disposed of, or any person who writes, prints, sells, exchanges, disposes of, supplies or procures or causes to be supplied or procured, to or for any person, or has in his possession or under his control, with intent, for himself or another, to sell, exchange, dispose of or supply any ticket, share or part of a ticket, or any writing, print, paper, certificate, token or device purporting, designed or intended to give or entitle the holder or any other person to any prize, share or interest in any prize, or to any right, share or interest whatever in any lottery or gift enterprise in or out of this state or in or to any drawing of or in or to the result of any lottery or gift enterprise in or out of this state shall be fined not less than five hundred dollars nor more than five thousand dollars, and shall be confined in the penitentiary for not less than two nor more than five years.

(2) Any person who sets up, promotes or engages in any plan by which merchandise or anything of value is sold to a person, firm or corporation for a consideration and *also offers the purchaser the chance* [upon the further consideration that the purchaser agrees] to secure one or more persons to participate in the plan by respectively making similar purchase or purchases and in turn *offering the chance* [agreeing] to secure one or more persons likewise to join in said plan, each purchaser being given the right to secure money, credits, goods or something of value, depending upon the number of persons joining in the plan, shall be held to have set up and promoted a lottery and shall be punished as provided in subsection (1).

(3) The circuit court of any county in which any plan described in subsection (2) is proposed, operated or promoted may grant an injunction without bond, upon complaint filed by the Attorney General to enjoin the further operation thereof, and the Attorney General may ask for and the court may assess civil penalties against the defendant in an amount not to exceed the sum of $5,000 which shall be for the benefit of the Commonwealth of Kentucky.

(4) (a) *Whenever the Attorney General has reason to believe that a person has engaged in, or is engaging in, any practice declared by Section 2 of this Act to be unlawful, and when he believes it to be in the public interest, he may conduct an investigation to ascertain whether a person in fact has engaged in, or is engaging in, any practice declared by this Act to be unlawful.*

(b) *To accomplish the purposes of Section 4 (a) of the Act, if the Attorney General has probable cause to believe that a violation has occurred, he may apply to a circuit court having jurisdiction or the Franklin Circuit Court prior to the institution of any civil action for permission to issue subpoenas duces tecum or subpoenas ad testificandum to any person. Upon refusal by any person to comply with a subpoena as set out in this Act, the Attorney General may apply to a circuit court in the Commonwealth of Kentucky for an order of contempt and such circuit court shall issue an appropriate order if it finds that to do so is in the public interest.*

HB 433, AN ACT relating to arbitration and to make uniform the law with reference thereto.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. A new section of Chapter 417 of the Kentucky Revised Statutes is created to read as follows:

A written agreement to submit any existing controversy to arbitration or a provision in a written contract to submit to arbitration any controversy thereafter arising between the parties is valid, enforceable and irrevocable, save upon such grounds as exist at law or in equity for the revocation of any contract. This act also applies to arbitration agreements between employers and employees or between their respective representatives (unless otherwise provided in the agreement).

Section 2. A new section of Chapter 417 of the Kentucky Revised Statutes is created to read as follows:

(1) On application of a party showing an agreement described in section 1 of this Act, and the opposing party's refusal to arbitrate, the Court shall order the parties to proceed with arbitration, but if the opposing party denies the existence of the

agreement to arbitrate, the Court shall proceed summarily to the determination of the issue so raised and shall order arbitration if found for the moving party, otherwise, the application shall be denied.

(2) On application, the court may stay an arbitration proceeding commenced or threatened on a showing that there is no agreement to arbitrate. Such an issue, when in substantial and bona fide dispute, shall be forthwith and summarily tried and the stay ordered if found for the moving party. If found for the opposing party, the court shall order the parties to proceed to arbitration.

(3) If an issue referable to arbitration under the alleged agreement is involved in an action or proceeding pending in a court having jurisdiction to hear applications under subsection (1) of this section, the application shall be made therein. Otherwise and subject to section 17 of this Act, the application may be made in any court of competent jurisdiction.

(4) Any action or proceeding involving an issue subject to arbitration shall be stayed if an order for arbitration or an application therefor has been made under this section or, if the issue is severable, the stay may be with respect thereto only. When the application is made in such action or proceeding, the order for arbitration shall include such stay.

(5) An order for arbitration shall not be refused on the ground that the claim in issue lacks merit or bona fides or because any fault or grounds for the claim sought to be arbitrated have not been shown.

Section 3. A new section of Chapter 417 of the Kentucky Revised Statutes is created to read as follows:

If the arbitration agreement provides a method of appointment of arbitrators, this method shall be followed. In the absence thereof, or if the agreed method fails or for any reason cannot be followed, or when an arbitrator appointed fails or is unable to act and his successor has not been duly appointed, the court on application of a party shall appoint one or more arbitrators. An arbitrator so appointed has all the powers of one specifically named in the agreement.

Section 4. A new section of Chapter 417 of the Kentucky Revised Statutes is created to read as follows:

The powers of the arbitrators may be exercised by a majority unless otherwise provided by the agreement or by this act.

Section 5. A new section of Chapter 417 of the Kentucky Revised Statutes is created to read as follows:

Unless otherwise provided by the agreement:

(1) The arbitrators shall appoint a time and place for the hearing and cause notification to the parties to be served personally or by registered mail not less than five days before the hearing. Appearance at the hearing waives such notice. The arbitrators may adjourn the hearing from time to time as necessary, and, on request of a party and for good cause, or upon their own motion may postpone the hearing to a time not later than the date fixed by the agreement for making the award unless the parties consent to a later date. The arbitrators may hear and determine the controversy upon the evidence produced notwithstanding the failure of a party duly notified to appear. The court on application may direct the arbitrators to proceed promptly with the hearing and determination of the controversy.

(2) The parties are entitled to be heard, to present evidence material to the controversy and to cross-examine witnesses appearing at the hearing.

(3) The hearing shall be conducted by all the arbitrators but a majority may determine any question and render a final award. If, during the course of the hearing, an arbitrator for any reason ceases to act, the remaining arbitrator or arbitrators appointed to act as neutrals may continue with the hearing and determination of the controversy.

Section 6. A new section of Chapter 417 of the Kentucky Revised Statutes is created to read as follows:

A party has the right to be represented by an attorney at any proceeding or hearing under this act. A waiver thereof prior to the proceeding or hearing is ineffective.

Section 7. A new section of Chapter 417 of the Kentucky Revised Statutes is created to read as follows:

(1) The arbitrators may issue subpoenas for the attendance of witnesses and for the production of books, records, documents and other evidence, and shall have the power to administer oaths. Subpoenas so issued shall be served, and upon application to the Court by a party or the arbitrators, enforced, in the manner provided by law for the service and enforcement of subpoenas in a civil action.

(2) On application of a party and for use as evidence, the arbitrators may permit a deposition to be taken, in the manner and upon the terms designated by the arbitrators, of a witness who cannot be subpoenaed or is unable to attend the hearing.

(3) All provisions of law compelling a person under subpoena to testify are applicable.

(4) Fees for attendance as a witness shall be the same as for a witness in the Circuit Court.

Section 8. A new section of Chapter 417 of the Kentucky Revised Statutes is created to read as follows:

(1) The award shall be in writing and signed by the arbitrators joining in the award. The arbitrators shall deliver a copy to each party personally or by registered mail, or as provided in the agreement.

(2) An award shall be made within the time fixed therefor by the agreement or, if not so fixed, within such time as the court orders on application of a party. The parties may extend the time in writing either before or after the expiration thereof. A party waives the objection that an award was not made within the time required unless he notifies the arbitrators of his objection prior to the delivery of the award to him.

Section 9. A new section of Chapter 417 of the Kentucky Revised Statutes is created to read as follows:

On application of a party to the arbitrators or, if an application to the court is pending under sections 11, 12 and 13 of this Act, on submission to the arbitrators by the court under such conditions as the court may order, the arbitrators may modify or correct the award upon the grounds stated in paragraphs (a) and (c) of subsection (1) of section 13 of this Act, or for the purpose

of clarifying the award. The application shall be made within twenty days after delivery of the award to the applicant. Written notice thereof shall be given forthwith to the opposing party, stating he must serve his objections thereto, if any, within ten days from the notice. The award so modified or corrected is subject to the provisions of sections 11, 12 and 13 of this Act.

Section 10. A new section of Chapter 417 of the Kentucky Revised Statutes is created to read as follows:

Unless otherwise provided in the agreement to arbitrate, the arbitrators' expenses and fees, together with other expenses, not including counsel fees, incurred in the conduct of the arbitration, shall be paid as provided in the award.

Section 11. A new section of Chapter 417 of the Kentucky Revised Statutes is created to read as follows:

Upon application of a party, the Court shall confirm an award, unless within the time limits hereinafter imposed grounds are urged for vacating or modifying or correcting the award, in which case the court shall proceed as provided in Sections 12 and 13 of this Act.

Section 12. A new section of Chapter 417 of the Kentucky Revised Statutes is created to read as follows:

(1) Upon application of a party, the court shall vacate an award where:

(a) The award was procured by corruption, fraud or other undue means;

(b) There was evident partiality by an arbitrator appointed as a neutral or corruption in any of the arbitrators or misconduct prejudicing the rights of any party;

(c) The arbitrators exceeded their powers;

(d) The arbitrators refused to postpone the hearing upon sufficient cause being shown therefor or refused to hear evidence material to the controversy or otherwise so conducted the hearing, contrary to the provisions of section 5 of this Act, as to prejudice substantially the rights of a party; or

(e) There was no arbitration agreement and the issue was not adversely determined in proceedings under Section 2 of this

Act and the party did not participate in the arbitration hearing without raising the objection;

But the fact that the relief was such that it could not or would not be granted by a court of law or equity is not ground for vacating or refusing to confirm the award.

(2) An application under this section shall be made within ninety days after delivery of a copy of the award to the applicant, except that, if predicated upon corruption, fraud or other undue means, it shall be made within ninety days after such grounds are known or should have been known.

(3) In vacating the award on grounds other than stated in paragraph (e) of subsection (1) the court may order a rehearing before new arbitrators chosen as provided in the agreement, or in the absence thereof, by the court in accordance with section 3 of this Act, or, if the award is vacated on grounds set forth in paragraphs (c), and (d) of subsection (1) the court may order a rehearing before the arbitrators who made the award or their successors appointed in accordance with section 3 of this Act. The time within which the agreement requires the award to be made is applicable to the rehearing and commences from the date of the order.

(4) If the application to vacate is denied and no motion to modify or correct the award is pending, the court shall confirm the award.

Ssction 13. A new section of Chapter 417 of the Kentucky Revised Statutes is created to read as follows:

(1) Upon application made within ninety days after delivery of a copy of the award to the applicant, the court shall modify or correct the award where:

(a) There was an evident miscalculation of figures or an evident mistake in the description of any person, thing or property referred to in the award;

(b) The arbitrators have awarded upon a matter not submitted to them and the award may be corrected without affecting the merits of the decision upon the issues submitted; or

(c) The award is imperfect in a matter of form, not affecting the merits of the controversy.

(2) If the application is granted, the court shall modify and correct the award so as to effect its intent and shall confirm the award as so modified and corrected. Otherwise, the court shall confirm the award as made.

(3) An application to modify or correct an award may be joined in the alternative with an application to vacate the award.

Section 14. A new section of Chapter 417 of the Kentucky Revised Statutes is created to read as follows:

Upon the granting of an order confirming, modifying or correcting an award, judgment or decree shall be entered in conformity therewith and be enforced as any other judgment or decree. Costs of the application and of the proceedings subsequent thereto, and disbursements may be awarded by the court.

Section 15. A new section of Chapter 417 of the Kentucky Revised Statutes is created to read as follows:

Except as otherwise provided, an application to the court under this act shall be by motion and shall be heard in the manner and upon the notice provided by law or rule of court for the making and hearing of motions in civil cases. Unless the parties have agreed otherwise, notice of an initial application for an order shall be served in the manner provided by law for the service of a summons in civil cases.

Section 16. A new section of Chapter 417 of the Kentucky Revised Statutes is created to read as follows:

The term "court" means any court of competent jurisdiction of this State. The making of an agreement described in section 1 of this Act providing for arbitration in this State confers jurisdiction on the court to enforce the agreement under this Act and to enter judgment on an award thereunder.

Section 17. A new section of Chapter 417 of the Kentucky Revised Statutes is created to read as follows:

An initial application shall be made to the court of the county in which the agreement provides the arbitration hearing shall be held or, if the hearing has been held, in the county in which it was held. Otherwise the application shall be made in the county

where the adverse party resides or has a place of business or, if he has no residence or place of business in this State, to the court of any county. All subsequent applications shall be made to the court hearing the initial application unless the court otherwise directs.

Section 18. A new section of Chapter 417 of the Kentucky Revised Statutes is created to read as follows:

(1) An appeal may be taken from:

(a) An order denying an application to compel arbitration made under section 2 of this Act;

(b) An order granting an application to stay arbitration made under section 2 of this Act;

(c) An order confirming or denying confirmation of an award;

(d) An order modifying or correcting an award;

(e) An order vacating an award without directing a rehearing; or

(f) A judgment or decree entered pursuant to the provisions of this Act.

(2) The appeal shall be taken in the manner and to the same extent as from orders or judgments in a civil action.

Section 19. A new section of Chapter 417 of the Kentucky Revised Statutes is created to read as follows:

This Act applies only to agreements made subsequent to the taking effect of this Act.

Section 20. A new section of Chapter 417 of the Kentucky Revised Statutes is created to read as follows:

This Act shall be so construed as to effectuate its general purpose to make uniform the law of those states which enact it.

Section 21. If any provision of this Act or the application thereof to any person or circumstance is held invalid, the invalidity shall not affect other provisions or applications of the Act which can be given without the invalid provision or application, and to this end the provisions of this Act are severable.

Section 22. A new section of Chapter 417 of the Kentucky Revised Statutes is created to read as follows:

This Act may be cited as the Uniform Arbitration Act.

Section 23. Kentucky Revised Statutes Sections 417.010, 417.011, 417.012, 417.013, 417.014, 417.015, 417.016, 417.017, 417.018, 417.019, 417.020, 417.030, and 417.040 are hereby repealed.

HB 596, AN ACT relating to conveyances and encumbrances.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Section 382.200 of the Kentucky Revised Statutes is amended to read as follows:

(1) Except as provided in subsection (2) of this section, each county clerk shall make and keep an alphabetical cross-index of all conveyances recorded in his office, and when a mortgage or deed of trust, or any other conveyance, lease or contract is lodged in his office for record, he shall, at once and before attending to any other business, place the names of the parties to the instrument upon the cross-index in his office, and shall within six days thereafter record the instrument.

(2) Chattel mortgages, financing statements or security agreements shall be filed and recorded in the manner set out in KRS 355.9-403.

(3) Instruments affecting the title to or creating an encumbrance upon more than one category of property shall be indexed by the clerk as financing statements, security agreements, or as deeds or mortgages or both, and the party lodging such instrument for recording shall endorse thereon those indexes in which the document is to be cross-indexed.

Section 2. Section 382.270 of the Kentucky Revised Statutes is amended to read as follows:

No deed or deed of trust or mortgage conveying *or affecting* [a] legal or equitable title to real property, *or a financing statement or security agreement conveying or affecting legal or equitable title to personal property, or a lease affecting the title to real*

or personal property, shall be valid against a purchaser for a valuable consideration, without notice thereof, or against creditors, until such *instrument* [deed or mortgage] is acknowledged or proved *as required by* [according to] law and lodged for record. *Lodgement for record shall be accomplished by presentation of the properly executed and proven document to the appropriate county court clerk, with a tender of the filing fee or fees or acceptance of the document by such clerk.* As used in this section "creditors" includes all creditors irrespective of whether or not they have acquired a lien by legal or equitable proceedings or by voluntary conveyance.

HB 550, AN ACT relating to corporations.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 271.285 is hereby amended to read as follows:

The shareholders of a corporation may make and alter bylaws not inconsistent with law or the articles of incorporation. The authority to make bylaws may be expressly vested by the articles of incorporation in the board of directors subject to the power of the shareholders to change or repeal such bylaws[.], *but the board of directors may not alter, amend or repeal bylaws adopted by the shareholders.*

HB 230, AN ACT relating to the summoning of jurors from adjoining counties.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Section 29.262 of Chapter 29 of the Kentucky Revised Statutes is amended to read as follows:

(1) If, after making a fair effort in good faith, the judge is satisfied that it will be impracticable to obtain a jury free of bias in the county in which the prosecution is pending, he may order the sheriff to summon a sufficient number of qualified jurors from some adjoining county in which the judge believes there is the greatest probability of obtaining impartial jurors. The

sheriff shall go to the circuit judge of the adjoining county, if he is in the county at the time, and request the judge to draw from the jury drum sufficient names and to record the names on paper, certify and sign it. The sheriff shall then summon from such list the number ordered to be summoned. If the circuit judge is not in the county at the time, the sheriff shall select such jurors from the panels which served, and whose names appeared of record, as jurors at the previous regular term of court in the adjoining county. If the jurors who served at the preceding term are not sufficient in number to meet the number ordered summoned, the sheriff shall select the remainder from the list which served at the next to the last preceding term. From the persons so summoned the jury may be formed.

(2) The jurors summoned under subsection 1 of this section shall be paid, in addition to their per diem, eight cents per mile going and returning by the nearest traveled route from the place in which they reside to the place to which they are summoned. This mileage shall be allowed by the court and certified to the Circuit Clerk for payment from funds advanced out of the state treasury.

Section 2. Section 28.180 of the Kentucky Revised Statutes is amended to read as follows:

(1) Each circuit clerk shall pay to each juror the compensation *and mileage* allowed him by law, under appropriations provided by the General Assembly and in accordance with procedures governing expenditures from appropriations. He shall take a receipt for each payment made by him showing the date on which payment is made. For the purpose of providing for such payments, the State Treasurer, on direction of the Department of Finance, shall advance to each circuit clerk an imprest fund sufficient for the payments for a term of court, or if the court is one of continuous session, sufficient for the period of service of each grand or petit jury panel, or both, but not to exceed a period of sixty days.

(2) The circuit clerk shall be allowed five percent of all funds forwarded to the State Treasury under KRS 28.170, and an amount equal to five percent of the funds disbursed by him to jurors under this section.

HB 496, AN ACT relating to condemnation.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Section 416.100 of the Kentucky Revised Statutes is amended to read as follows:

(1) When any county court desires to condemn land under the authority of KRS 178.110, the *elected* county *judge* [court] shall appoint three impartial housekeepers *from different magisterial districts* of the county as commissioners to assess the damages the owner or tenant may be entitled to receive. The commissioners shall be sworn to faithfully and impartially discharge their duties according to law.

(2) Either the county or any tenant or owner may file exceptions to the report of the commissioners. If exceptions are filed by either party, the court shall, unless the parties waive a jury, forthwith cause a jury to be impaneled to try the issues and to assess compensation and damages.

Section 2. Section 416.240 of the Kentucky Revised Statutes is amended to read as follows:

The *elected* county *judge* [court] shall appoint as commissioners three impartial housekeepers *from different magisterial districts* of the county who are owners of land. They shall be sworn to faithfully and impartially discharge their duties under this section. The commissioners shall view the land and material and award to the owner or owners the value of the use and occupation of the land and material sought to be taken, which shall be stated separately. They shall also award any incidental damages resulting to the adjacent lands of the owner or owners considering the purpose for which it is taken, but shall deduct from the incidental damages the value, if any, of the advantages and benefits that will accrue to the adjacent lands from the construction and prudent operation of the pipe line proposed to be constructed. They shall return a written report to the office of the county clerk, stating their award, and shall describe in their report the land and the use and occupation thereof and material condemned, giving the name of each owner and stating whether he is a nonresident of the state or under any disability.

The Committee Amendment to **HB 496** is as follows:

Amend printed copy of House Bill 496 on page 1, line 4, by:

deleting the word *"elected"* preceding the words "county *judge"* and following the word *"judge"* by adding the following:

", either elected or appointed by the Governor,"

HB 511, AN ACT relating to claims against decedents' estates.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 396.010 is hereby amended to read as follows:

(1) [No claim against the estate of a decedent shall be allowed or paid unless the claim is] *A claim against the estate of a decedent shall be* verified by the affidavit of the claimant, or if he is out of the state, by his agent, or if dead, by his personal representative. The affidavit shall state that the claim is just and, to the best of the affiant's knowledge and belief, whether any part of the claim has ever been paid, or there is a set-off or discount against it, or any usury therein, and if so, when the payment was made, when the set-off or discount was due, and the amount of the payment or usury.

(2) If the claim is not an obligation signed by the decedent or a judgment, it shall also be verified by a person other than the claimant, who shall state in his affidavit that he believes the claim to be just and correct, and give the reasons why he so believes.

(3) Verification does not dispense with other proof required by law.

(4) A personal representative may honor and pay a claim without requiring verification under 396.010 when the personal representative is satisfied that the estate is solvent and from evidence available that the claim is just and owing.

Seciton 2. KRS 396.090 is hereby amended to read as follows:

[(1) If the personal estate of a decedent is not sufficient to pay his liabilities, then the burial expenses of the decedent, the cost of the administration of his estate, and the amount of

the estate of a dead person, or of a ward, or of a person of unsound mind, committed by a court of record to and remaining in the hands of a decedent, shall be paid in full before any pro-rata distribution is made, but this preference shall not extend to a demand foreign to this state.]

[(2) After the claims described in subsection (1) of this section have been satisfied, hospitals furnishing services, including maintenance, to the decedent within one year preceding his death shall have a preferred claim on any residue of the decedent's estate, to the extent of the costs of such services. All other debts and liabilities shall be of equal dignity, and paid ratably in the administration of his estate, and if more than the ratable share of any debt is paid, the personal representative shall only receive credit for its proper proportion.]

If the applicable assets of the estate are insufficient to pay all claims in full, the personal representative shall make payment in the following order:

1. costs and expenses of administration;

2. reasonable funeral expenses and reasonable and necessary medical and hospital expenses of the last illness of the decedent, including compensation of persons attending him;

3. debts and taxes with preference under federal law or the laws of this state;

4. all other claims.

No preference is given in the payment of any claim over any other claim of the same class, nor is a claim due and payable entitled to a preference over claims not due.

The Committee Amendment to **HB 511** is as follows:

Amend printed copy of House Bill 511 on pages 2 and 3, by:

on page 2, lines 12 and 13 deleting, by bracketing, the words "is hereby amended to read as follows:"

and on lines 14 through 21 by deleting the brackets on lines 14 and on 21

and on line 22 deleting the brackets preceding "(2)"

and on page 3, line 2, by deleting the bracket following the word "proportion."

and on lines 3 through 15 deleting them in their entirety.

HB 602, AN ACT relating to depositions.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Section 64.250 of the Kentucky Revised Statutes is amended to read as follows:

Notaries public, examiners or other officers authorized to take depositions may collect for the following services, the following fees:

(1) For taking depositions and certifying the same, not exceeding *fifteen* [ten] dollars per day where the taking consumes more than one session in any one day; or where the deposition is being taken in some city other than the residence of the officer before whom the deposition is being taken, not exceeding *twenty-five* [fifteen] dollars per day; and not exceeding *ten* [five] dollars per day or per session where the taking does not consume more than one morning or one afternoon session, and is in the same city in which the officer taking the depositions resides.

(2) For making an original transcript, not exceeding *eighty* [thirty] cents per one hundred words.

(3) For making a duplicate or carbon copy of a transcript, not exceeding *forty* [fifteen] cents per one hundred words.

(4) For issuing a subpoena or any other writ, or making a certificate, or for performing any other service, the same fee that is allowed to circuit court clerks for issuing similar writs, making certificates or performing other services.

The Committee Amendment to **HB 602** is as follows:

Amend printed copy of House Bill 602 on page 2, lines 3 and 6, by:

on line 3, deleting the word "eighty" by bracketing and inserting in lieu thereof "*forty*" preceding the word cents.

and on line 6 by deleting the word "forty" by bracketing and inserting in lieu thereof the word "*twenty*" preceding the word cents.

HB 445, AN ACT relating to city tax liens.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

KRS 134.420 is amended to read:

(1) The state and each county, city or other taxing district shall have a lien on the property assessed for taxes due them respectively for five years following the date when the taxes become delinquent, and also on any real property owned by a delinquent taxpayer at the date when the sheriff offers the tax claims for sale as provided in KRS 134.430 and 134.440. This lien shall not be defeated by gift, devise, sale, alienation or any means whatever except by sale to a bona fide purchaser, but no purchase of property made before final settlement for taxes for a particular assessment date has been made by the sheriff shall preclude the lien covering such taxes. The lien shall include all interest, penalties, fees, commissions, charges and other expenses incurred by reason of delinquency in payment of the tax bill or in the process of collecting it, and shall have priority over any other obligation or liability for which the property is liable. The lien of any city, county or other taxing district shall be of equal rank with that of the state. When any proceeding is instituted to enforce the lien provided in this subsection, it shall continue in force until the matter is judicially terminated.

(2) *The tax lien of any city of the second through the sixth class shall be dissolved unless the city, within thirty days after the date when the taxes become delinquent, files in the office of the clerk of the county court in which the city is situated a notice of the lien, giving the year for which delinquent, the number of the tax bill, the amount of taxes, interest, penalties and costs on each tax bill for each year, and a brief description, by lot and numbers as shown by city maps, county plat books, or some other method sufficiently accurate to identify each parcel. The clerk shall file the notice in the same manner as notices of lis pendens are filed, but it shall be listed in a separate index. The clerk shall be entitled to a fee of $1.25 for filing the notice of lien. The fee shall become a part of the lien as an added cost of the delinquent taxpayer to be paid as a part of the amount necessary to release the lien.*

(3) [(2)] The state shall have a lien of equal rank with the lien provided in subsection (1) of this section on all property of a taxpayer who owes any property tax, license tax, inheritance or estate tax, excise tax, income tax, or other tax, when such taxes are not included in or covered by the lien provided in subsection (1) of this section. This lien shall accrue at the time the liability becomes fixed. The Department of Revenue may file notice of the lien with the county clerk of any county where the taxpayer has property, giving the name and address of the taxpayer and the amount of the lien. The clerk shall file the notice in the same manner as notices of lis pendens are filed, and the file shall be designated Miscellaneous State Tax Liens. The notice, when filed, shall be constructive notice to all persons of the lien on the property having a legal situs in that county, except that nothing in this subsection shall be construed to alter or change in any way the law relative to the rights and duties of a holder in due course as provided in KRS 355, Art. 3, or affect the rights of any person taking the property or a lien thereon for value without actual or constructive notice. The clerk may charge a fee of $1.25 for filing the notice of lien. The fee shall become a part of the lien as an added cost of the delinquent taxpayer to be paid by him as a part of the amount necessary to release the lien, and in no event shall the state be required to pay the fee.

The Committee Amendment to **HB 445** is as follows:

Amend printed copy of House Bill 445 on page 2, line 8, by:
deleting by bracketing the following:
"through the sixth"

HB 664, AN ACT relating to corporations.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Section 271.990 of the Kentucky Revised Statutes is amended to read as follows:

(1) Any corporation that does business in this state without complying with the provisions of this chapter that require certain things to be done before doing business, and any officer, director or agent of the corporation who knowingly participates in such unauthorized doing of business, shall, for each

offense, be fined not less than one hundred dollars nor more than one thousand dollars.

(2) Any corporation that violates any provision of this chapter, and any officer, director or agent of the corporation who is responsible for such violation or who knowingly participates therein, shall, for each offense, be fined not less than one hundred dollars nor more than one thousand dollars.

(3) *The Attorney General shall have concurrent authority with the county and Commonwealth's attorney to prosecute for violation of subsections 1 and 2 of this section.*

(4) *In addition to the power of the Attorney General to prosecute for violations of subsections 1 and 2 of this section, the circuit court of any county in which a corporation that does business in this state without complying with the provisions of this chapter that require certain things to be done before doing business, may grant an injunction without bond, upon complaint filed by the Commonwealth attorney or the Attorney General, to enjoin the further operation thereof, and the Commonwealth attorney or the Attorney General may ask for and the court may assess civil penalties against the defendant in an amount not to exceed the sum of two thousand dollars, which shall be for the benefit of the Commonwealth of Kentucky.*

HB 514, AN ACT relating to private business corporations.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. A new section of Kentucky Revised Statutes Chapter 271 is created to read as follows:

SHORT TITLE

This Act shall be known and may be cited as the "Kentucky Business Corporation Act."

Section 2. A new section of Kentucky Revised Statutes Chapter 271 is created to read as follows:

DEFINITIONS

As used in this Act, unless the context otherwise requires, the term:

(a) "Corporation" or "domestic corporation" means a corporation for profit subject to the provisions of this Act, except a foreign corporation.

(b) "Foreign corporation" means a corporation for profit organized under laws other than the laws of this State for a purpose or purposes for which a corporation may be organized under this Act.

(c) "Articles of incorporation" means the original or restated articles of incorporation or articles of consolidation and all amendments thereto including articles of merger.

(d) "Shares" means the units into which the proprietary interests in a corporation are divided.

(e) "Subscriber" means one who subscribes for shares in a corporation, whether before or after incorporation.

(f) "Shareholder" means one who is a holder of record of shares in a corporation.

(g) "Authorized shares" means the shares of all classes which the corporation is authorized to issue.

(h) "Treasury shares" means shares of a corporation which have been issued, have been subsequently acquired by and belong to the corporation, and have not, either by reason of the acquisition or thereafter, been cancelled or restored to the status of authorized but unissued shares. Treasury shares shall be deemed to be "issued" shares, but not "outstanding" shares.

(i) "Net assets" means the amount by which the total assets of a corporation exceed the total debts of the corporation.

(j) "Stated capital" means, at any particular time, the sum of (1) the par value of all shares of the corporation having a par value that have been issued, (2) the amount of the consideration received by the corporation for all shares of the corporation without par value that have been issued, except such part of the consideration therefor as may have been allocated to capital surplus in a manner permitted by law, and (3) such amounts not included in clauses (1) and (2) of this paragraph as have been transferred to stated capital of the corporation, whether upon the issue of shares as a share dividend or otherwise, minus all reduction from such sum as have been effected in a manner permitted by law. Irrespective of the manner of designation thereof by the laws un-

der which a foreign corporation is organized, the stated capital of a foreign corporation shall be determined on the same basis and in the same manner as the stated capital of a domestic corporation, for the purpose of computing fees and other charges imposed by this Act.

(k) "Surplus" means the excess of the net assets of a corporation over its stated capital.

(l) "Earned surplus" means the portion of the surplus of a corporation equal to the balance of its net profits, income, gains and losses from the date of incorporation, or from the latest date when a deficit was eliminated by an application of its capital surplus or stated capital or otherwise, after deducting subsequent distributions to shareholders and transfers to stated capital and capital surplus to the extent such distributions and transfers are made out of earned surplus. Earned surplus shall include also any portion of surplus allocated to earned surplus in mergers, consolidations or acquisitions of all or substantially all of the outstanding shares or of the property and assets of another corporation, domestic or foreign.

(m) "Capital surplus" means the entire surplus of a corporation other than its earned surplus.

(n) "Insolvent" means inability of a corporation to pay its debts as they become due in the usual course of its business.

(o) "Employee" includes officers but not directors. A director may accept duties which make him also an employee.

Section 3. A new section of Kentucky Revised Statutes Chapter 271 is created to read as follows:

APPLICATION AND PURPOSES

(a) This Act shall apply to any corporation formed under the laws of this State unless either the statutes relating to a corporation of that kind are inconsistent with this Act or state that the provisions of this Act do not apply to it.

(b) Subject to the provisions of paragraph (a) of this section, corporations may be organized under this Act for any lawful purpose or purposes.

Section 4. A new section of Kentucky Revised Statutes Chapter 271 is created to read as follows:

GENERAL POWERS

Each corporation shall have power:

(a) To have perpetual succession by its corporate name unless a limited period of duration is stated in its articles of incorporaton.

(b) To sue and be sued, complain and defend, in its corporate name.

(c) To have a corporate seal which may be altered at pleasure, and to use the same by causing it, or a facsimile thereof, to be impressed or affixed or in any other manner reproduced, provided, however, that the presence or absence of a corporate seal on or from a writing shall neither add to nor detract from the legality thereof nor affect its validity in any manner or respect.

(d) To purchase, take, receive, lease, or otherwise acquire, own, hold, improve, use and otherwise deal in and with, real or personal property, or any interest therein, wherever situated.

(e) To sell, convey, mortgage, pledge, lease, exchange, transfer and otherwise dispose of all or any part of its property and assets.

(f) To lend money and use its credit to assist its employees.

(g) To purchase, take, receive, subscribe for, or otherwise acquire, own, hold, vote, use, employ, sell, mortgage, lend, pledge, or otherwise dispose of, and otherwise use and deal in and with, shares or other interests in, or obligations of, other domestic or foreign corporations, associations, partnerships or individuals, or direct or indirect obligations of the United States or of any other government, state, territory, governmental district or municipality or of any instrumentality thereof.

(h) To make contracts and guarantees and incur liabilities, borrow money at such rates of interest as the corporation may determine, issue its notes, bonds and other obligations, and secure any of its obligations by mortgage or pledge of all or any of its property, franchises and income.

(i) To lend money for its corporate purposes, invest and reinvest its funds, and take and hold real and personal property as security for the payment of funds so loaned or invested.

(j) To conduct its business, carry on its operations and have offices and exercise the powers granted by this Act, within or without this State.

(k) To elect or appoint officers and agents of the corporation, and define their duties and fix their compensation.

(l) To make and alter by-laws, not inconsistent with its articles of incorporation or with the laws of this State, for the administration and regulation of the affairs of the corporation.

(m) To make donations for the public welfare or for charitable, scientific or educational purposes.

(n) To transact any lawful business which the board of directors shall find will be in aid of governmental policy.

(o) To pay pensions and establish pension plans, pension trusts, profit sharing plans, stock bonus plans, stock option plans and other incentive plans for any or all of its directors, officers and employees.

(p) To be a promoter, partner, member, associate or manager of any partnership, joint venture, trust or other enterprise.

(q) To have and exercise all powers necessary or convenient to effect its purposes.

Section 5. A new section of Kentucky Revised Statutes Chapter 271 is created to read as follows:

INDEMNIFICATION OF OFFICERS, DIRECTORS, EMPLOYEES AND AGENTS

(a) A corporation shall have power to indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the corporation) by reason of the fact that he is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit or proceeding if he

acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the corporation, and with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which he reasonably believed to be in or not opposed to the best interests of the corporation, and, with respect to any criminal action or proceeding, had reasonable cause to believe that his conduct was unlawful.

(b) A corporation shall have power to indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the corporation to procure a judgment in its favor by reason of the fact that he is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against expenses (including attorneys' fees) actually and reasonably incurred by him in connection with the defense or settlement of such action or suit if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the corporation and except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable for negligence or misconduct in the performance of his duty to the corporation unless and only to the extent that the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which such court shall deem proper.

(c) To the extent that a director, officer, employee or agent of a corporation has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in subsections (a) or (b), or in defense of any claim, issue or matter therein, he shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by him in connection therewith.

(d) Any indemnification under subsections (a) or (b) (unless ordered by a court) shall be made by the corporation only as authorized in the specific case upon a determination that indemnification of the director, officer, employee or agent is proper in the circumstances because he has met the applicable standard of conduct set forth in subsections (a) or (b). Such determination shall be made (1) by the board of directors by a majority vote of a quorum consisting of directors who were not parties to such action, suit or proceeding, or (2) if such a quorum is not obtainable, or, even if obtainable a quorum of disinterested directors so directs, by independent legal counsel in a written opinion, or (3) by the shareholders.

(e) Expenses (including attorneys' fees) incurred in defending a civil or criminal action, suit or proceeding may be paid by the corporation in advance of the final disposition of such action, suit or proceeding as authorized in the manner provided in subsection (d) upon receipt of an undertaking by or on behalf of the director, officer, employee or agent to repay such amount unless it shall ultimately be determined that he is entitled to be indemnified by the corporation as authorized in this section.

(f) The indemnification provided by this section shall not be deemed exclusive of any other rights to which those indemnified may be entitled under any by-law, agreement, vote of shareholders or disinterested directors or otherwise, both as to action in his official capacity and as to action in another capacity while holding such office, and shall continue as to a person who has ceased to be a director, officer, employee or agent and shall inure to the benefit of the heirs, executors and administrators of such a person.

(g) A corporation shall have power to purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against him and incurred by him in any such capacity or arising out of his status as such, whether or not the corporation would have the power to indemnify him against such liability under the provisions of this section.

Section 6. A new section of Kentucky Revised Statutes Chapter 271 is created to read as follows:

RIGHT OF CORPORATION TO ACQUIRE AND DISPOSE OF ITS OWN SHARES

A corporation shall have the right to purchase, take, receive or otherwise acquire, hold, own, pledge, transfer or otherwise dispose of its own shares, but purchases of its own shares, whether direct or indirect, shall be made only to the extent of unreserved and unrestricted earned surplus available therefor, and, if the articles of incorporation so permit or with the affirmative vote of the holders of a majority of all shares entitled to vote thereon, to the extent of unreserved and unrestricted capital surplus available therefor.

To the extent that earned surplus or capital surplus is used as the measure of the corporation's right to purchase its own shares, such surplus shall be restricted so long as such shares are held as treasury shares, and upon the disposition or cancellation of any such shares the restriction shall be removed pro tanto.

Notwithstanding the foregoing limitation, a corporation may purchase or otherwise acquire its own shares for the purpose of:

(a) Eliminating fractional shares.

(b) Collecting or compromising indebtedness to the corporation.

(c) Paying dissenting shareholders entitled to payment for their shares under the provisions of this Act.

(d) Effecting, subject to the other provisions of this Act, the retirement of its redeemable shares by redemption or by purchase at not to exceed the redemption price.

No purchase of or payment for its own shares shall be made at a time when the corporation is insolvent or when such purchase or payment would make it insolvent.

Section 7. A new section of Kentucky Revised Statutes Chapter 271 is created to read as follows:

DEFENSE OF ULTRA VIRES

No act of a corporation and no conveyance or transfer of real or personal property to or by a corporation shall be invalid by reason of the fact that the corporation was without capacity or power to do such act or to make or receive such conveyance or transfer, but such lack of capacity or power may be asserted:

(a) In a proceeding by a shareholder against the corporation to enjoin the doing of any act or the transfer of real or personal property by or to the corporation. If the unauthorized act or transfer sought to be enjoined is being, or is to be, performed or made pursuant to a contract to which the corporation is a party, the court may, if all of the parties to the contract are parties to the proceeding and if it deems the same to be equitable, set aside and enjoin the performance of such contract, and in so doing may allow to the corporation or to the other parties to the contract, as the case may be, compensation for the loss or damage sustained by either of them which may result from the action of the court in setting aside and enjoining the performance of such contract, but anticipated profits to be derived from the performance of the contract shall not be awarded by the court as a loss or damage sustained.

(b) In a proceeding by the corporation, whether acting directly or through a receiver, trustee, or other legal representative, or through shareholders in a repesentative suit, against the incumbent or former officers or directors of the corporation.

(c) In a proceeding by the Attorney General, as provided in this Act, to dissolve the corporation, or in a proceeding by the Attorney General to enjoin the corporation from the transaction of unauthorized business.

Section 8. A new section of Kentucky Revised Statutes Chapter 271 is created to read as follows:

CORPORATE NAME

The corporate name:

(a) Shall contain the word "corporation," "company," "incorporated" or "limited," or shall contain an abbreviation of one of such words.

(b) Shall not contain any word or phrase which indicates or implies that it is organized for any purpose other than one or more of the purposes contained in its articles of incorporation.

(c) Shall not be the same as, or deceptively similar to, the name of any domestic corporation existing under the laws of this State or any foreign corporation authorized to transact business in this State, or a name the exclusive right to which is, at the time, reserved in the manner provided in this Act, or the name of a corporation which has in effect a registration of its corporate name as provided in this Act, except that this provision shall not apply if the applicant files with the Secretary of State either of the following: (1) the written consent of such other corporation or holder of a reserved or registered name to use the same or deceptively similar name and one or more words are added to make such name distinguishable from such other name, or (2) a certified copy of the final decree of a court of competent jurisdiction establishing the prior right of the applicant to the use of such name in this State.

A corporation with which another corporation, domestic or foreign, is merged, or which is formed by the reorganization or consolidation of one or more domestic or foreign corporations or upon a sale, lease or other disposition to or exchange with, a domestic corporation of all or substantially all the assets of another corporation, domestic or foreign, including its name, may have the same name as that used in this State by any of such corporations if such other corporation was organized under the laws of, or is authorized to transact business in, this State.

The provisions of this section shall not affect the right of any corporation existing on June 30, 1970, to continue the use of its name.

Section 9. A new section of Kentucky Revised Statutes Chapter 271 is created to read as follows:

RESERVED NAME

The exclusive right to the use of a corporate name may be reserved by:

(a) Any person intending to organize a corporation under this Act.

(b) Any domestic corporation intending to change its name.

(c) Any foreign corporation intending to make application for a certificate of authority to transact business in this State.

(d) Any foreign corporation authorized to transact business in this State and intending to change its name.

(e) Any person intending to organize a foreign corporation and intending to have such corporation make application for a certificate of authority to transact business in this State.

The reservation shall be made by filing with the Secretary of State an application to reserve a specified corporate name, executed by the applicant. If the Secretary of State finds that the name is available for corporate use, he shall reserve the same for the exclusive use of the applicant for a period of one hundred and twenty days.

The right to the exclusive use of a specified corporate name so reserved may be transferred to any other person or corporation by filing in the office of the Secretary of State a notice of such transfer, executed by the applicant for whom the name was reserved, and specifying the name and address of the transferee.

Section 10. A new section of Kentucky Revised Statutes Chapter 271 is created to read as follows:

REGISTERED NAME

Any corporation organized and existing under the laws of any state or territory of the United States may register its corporate name under this Act, provided its corporate name is not the same as, or deceptively similar to, the name of any domestic corporation existing under the laws of this State, or the name of any foreign corporation authorized to transact business in this State, or any corporate name reserved or registered under this Act.

Such registration shall be made by:

(a) Filing with the Secretary of State (1) an application for registration executed by the corporation by an officer thereof, setting forth the name of the corporation, the state or territory under the laws of which it is incorporated, the date of its incor-

poration, a statement that it is carrying on or doing business, and brief statement of the business in which it is engaged, and (2) a certificate setting forth that such corporation is in good standing under the laws of the state or territory wherein it is organized, executed by the Secretary of State of such state or territory or by such other official as may have custody of the records pertaining to corporations, and

(b) Paying to the Secretary of State a registration fee in the amount of one dollar for each month, or fraction thereof, between the date of filing such application and December 31st of the calendar year in which such application is filed.

Such registration shall be effective until the close of the calendar year in which the application for registration is filed.

Section 11. A new section of Kentucky Revised Statutes Chapter 271 is created to read as follows:

RENEWAL OF REGISTERED NAME

A corporation which has in effect a registration of its corporate name, may renew such registration from year to year by annually filing an application for renewal setting forth the facts required to be set forth in an original application for registration and a certificate of good standing as required for the original registration and by paying a fee of twelve dollars. A renewal application may be filed between the first day of October and the thirty-first day of December in each year, and shall extend the registration for the following calendar year.

Section 12. A new section of Kentucky Revised Statutes Chapter 271 is created to read as follows:

REGISTERED OFFICE AND REGISTERED AGENT

Each corporation shall have and continuously maintain in this State:

(a) A registered office which may be, but need not be, the same as its place of business.

(b) A registered agent, which agent may be either an individual resident in this State whose business office is identical with such registered office, or a domestic corporation, or a for-

eign corporation authorized to transact business in this State, having a business office identical with such registered office. Chapter 271 is created to read as follows:

Section 13. A new section of Kentucky Revised Statutes

CHANGE OF REGISTERED OFFICE
OR REGISTERED AGENT

A corporation may change its registered office or change its registered agent, or both, upon filing in the office of the Secretary of State a statement setting forth:

(a) The name of the corporation.

(b) The address of its then registered office.

(c) If the address of its registered office is to be changed, the address to which the registered office is to be changed.

(d) The name of its then registered agent.

(e) If its registered agent is to be changed, the name of its successor registered agent.

(f) That the address of its registered office and the address of the business office of its registered agent, as changed, will be identical.

(g) That such change was authorized by resolution duly adopted by its board of directors.

Such statement shall be executed by the corporation by its president, or a vice president, and verified by him, and delivered to the Secretary of State. If the Secretary of State finds that such statement conforms to the provisions of this Act, he shall file such statement in his office, and upon such filing the change of address of the registered office, or the appointment of a new registered agent, or both, as the case may be, shall become effective.

Any registered agent of a corporation may resign as such agent upon filing a written notice thereof, executed in duplicate, with the Secretary of State, who shall forthwith mail a copy thereof to the corporation at its registered office. The appointment of such agent shall terminate upon the expiration of thirty days after receipt of such notice by the Secretary of State.

If a registered agent changes his or its business address to another place within the same county, he or it may change such address and the address of the registered office of any corporation of which he or it is registered agent by filing a statement as required above except that it need be signed only by the registered agent and need not be responsive to (e) or (g) and must recite that a copy of the statement has been mailed to the corporation.

Section 14. A new section of Kentucky Revised Statutes Chapter 271 is created to read as follows:

SERVICE OF PROCESS ON CORPORATION

The registered agent so appointed by a corporation shall be an agent of such corporation upon whom any process, notice or demand required or permitted by law to be served upon the corporation may be served.

Whenever a corporation shall fail to appoint or maintain a registered agent in this State, or whenever its registered agent cannot with reasonable diligence be found at the registered office, then the Secretary of State shall be an agent of such corporation upon whom any such process, notice, or demand may be served. Service on the Secretary of State of any such process, notice, or demand shall be made by delivering to and leaving with him, or with any clerk having charge of the corporation department of his office, duplicate copies of such process, notice or demand. In the event any such process, notice or demand is served on the Secretary of State, he shall immediately cause one of the copies thereof to be forwarded by registered mail, addressed to the corporation at its registered office. Any service so had on the Secretary of State shall be returnable in not less than thirty days.

The Secretary of State shall keep a record of all processes, notices and demands served upon him under this section, and shall record therein the time of such service and his action with reference thereto.

Nothing herein contained shall limit or affect the right to serve any process, notice or demand required or permitted by law to be served upon a corporation in any other manner now or hereafter permitted by law.

Section 15. A new section of Kentucky Revised Statutes Chapter 271 is created to read as follows:

AUTHORIZED SHARES

Each corporation shall have power to create and issue the number of shares stated in its articles of incorporation. Such shares may be divided into one or more classes, any or all of which classes may consist of shares with par value or shares without par value, with such designations, preferences, limitations, and relative rights as shall be stated in the articles of incorporation. The articles of incorporation may limit or deny the voting rights of or provide special voting rights for the shares of any class to the extent not inconsistent with the provisions of this Act.

Without limiting the authority herein contained, a corporation, when so provided in its articles of incorporation, may issue shares of preferred or special classes:

(a) Subject to the right of the corporation to redeem any of such shares at the price fixed by the articles of incorporation for the redemption thereof.

(b) Entitling the holders thereof to cumulative, non-cumulative or partially cumulative dividends.

(c) Having preference over any other class or classes of shares as to the payment of dividends.

(d) Having preference in the assets of the corporation over any other class or classes of shares upon the voluntary or involuntary liquidation of the corporation.

(e) Convertible into shares of any other class or into shares of any series of the same or any other class, except a class having prior or superior rights and preferences as to dividends or distribution of assets upon liquidation, but shares without par value shall not be converted into shares with par value unless that part of the stated capital of the corporation represented by such shares without par value is, at the time of conversion, at least equal to the aggregate par value of the shares into which the shares without par value are to be converted or the amount of any such deficiency is transferred from surplus to stated capital.

Section 16. A new section of Kentucky Revised Statutes Chapter 271 is created to read as follows:

ISSUANCE OF SHARES OF PREFERRED OR SPECIAL CLASSES IN SERIES

If the articles of incorporation so provide, the shares of any preferred or special class may be divided into and issued in series. If the shares of any such class are to be issued in series, then each series shall be so designated as to distinguish the shares thereof from the shares of all other series and classes. Any or all of the series of any such class and the variations in the relative rights and preferences as between different series may be fixed and determined by the articles of incorporation, but all shares of the same class shall be identical except as to the following relative rights and preferences, as to which there may be variations between different series:

(A) The rate of dividend.

(B) Whether shares may be redeemed and, if so, the redemption price and the terms and conditions of redemption.

(C) The amount payable upon shares in event of voluntary and involuntary liquidation.

(D) Sinking fund provisions, if any, for the redemption or purchase of shares.

(E) The terms and conditions, if any, on which shares may be converted.

(F) Voting rights, if any.

If the articles of incorporation shall expressly vest authority in the board of directors, then, to the extent that the articles of incorporation shall not have established series and fixed and determined the variations in the relative rights and preferences as between series, the board of directors shall have authority to divide any or all of such classes into series and, within the limitations set forth in this section and in the articles of incorporation, fix and determine the relative rights and preferences of the shares of any series so established.

In order for the board of directors to establish a series, where authority so to do is contained in the articles of incorporation,

the board of directors shall adopt a resolution setting forth the designation of the series and fixing and determining the relative rights and preferences thereof, or so much thereof as shall not be fixed and determined by the articles of incorporation.

Prior to the issue of any shares of a series established by resolution adopted by the board of directors, the corporation shall file in the office of the Secretary of State a statement setting forth:

(a) The name of the corporation.

(b) A copy of the resolution establishing and designating the series, and fixing and determining the relative rights and preferences thereof.

(c) The date of adoption of such resolution.

(d) That such resolution was duly adopted by the board of directors.

Such statement shall be executed in triplicate by the corporation by its president or a vice president and by its secretary or an assistant secretary, and verified by one of the officers signing such statement, and shall be delivered to the Secretary of State. If the Secretary of State finds that such statement conforms to law, he shall, when all fees have been paid as in this Act prescribed:

(1) Endorse on each of such triplicate originals the word "Filed," and the month, day, and year of the filing thereof.

(2) File one of such triplicate originals in his office.

(3) Return the other triplicate originals to the corporation or its representative. One of such triplicate originals shall be filed by the corporation with the Clerk of the County Court of the county in which the registered office of the corporation is located in the same manner as articles of amendment are required to be filed.

Upon the filing of such statement by the Secretary of State, the resolution establishing and designating the series and fixing and determining the relative rights and preferences thereof shall become effective and shall constitute an amendment of the articles of incorporation.

Section 17. A new section of Kentucky Revised Statutes Chapter 271 is created to read as follows:

SUBSCRIPTIONS FOR SHARES

A subscription for shares of a corporation to be organized shall be irrevocable for a period of six months, unless otherwise provided by the terms of the subscription agreement or unless all of the subscribers consent to the revocation of such subscription.

Unless otherwise provided in the subscription agreement, subscriptions for shares, whether made before or after the organization of a corporation, shall be paid in full at such time, or in such installments and at such times, as shall be determined by the board of directors. Any call made by the board of directors for payment on subscriptions shall be uniform as to all shares of the same class or as to all shares of the same series, as the case may be. In case of default in the payment of any installment or call when such payment is due, the corporation may proceed to collect the amount due in the same manner as any debt due the corporation. The by-laws may prescribe other penalties for failure to pay installments or calls that may become due, but no penalty working a forfeiture of a subscription, or of the amounts paid thereon, shall be declared as against any subscriber unless the amount due thereon shall remain unpaid for a period of twenty days after written demand has been made therefor. If mailed, such written demand shall be deemed to be made when deposited in the United States mail in a sealed envelope addressed to the subscriber at his last post-office address known to the corporation, with postage thereon prepaid. In the event of the sale of any shares by reason of any forfeiture, the excess of proceeds realized over the amount due and unpaid on such shares shall be paid to the delinquent subscriber or to his legal representative.

Section 18. A new section of Kentucky Revised Statutes Chapter 271 is created to read as follows:

CONSIDERATION FOR SHARES

Shares having a par value may be issued for such consideration expressed in dollars, not less than the par value thereof, as shall be fixed from time to time by the board of directors.

Shares without par value may be issued for such consideration expressed in dollars as may be fixed from time to time by the board of directors unless the articles of incorporation reserve to the shareholders the right to fix the consideration. In the event that such right be reserved as to any shares, the shareholders shall, prior to the issuance of such shares, fix the consideration to be received for such shares, by a vote of the holders of a majority of all shares entitled to vote thereon.

Treasury shares may be disposed of by the corporation for such consideration expressed in dollars as may be fixed from time to time by the board of directors.

That part of the surplus of a corporation which is transferred to stated capital upon the issuance of shares as a share dividend shall be deemed to be the consideration for the issuance of such shares.

In the event of the issuance of shares upon the conversion or exchange of indebtedness or shares, the consideration for the shares so issued shall be (1) the principal sum of, and accrued interest on, the indebtedness so exchanged or converted, or the stated capital then represented by the shares so exchanged or converted, and (2) that part of surplus, if any, transferred to stated capital upon the issuance of shares for the shares so exchanged or converted, and (3) any additional consideration paid to the corporation upon the issuance of shares for the indebtedness or shares so exchanged or converted.

Section 19. A new section of Kentucky Revised Statutes Chapter 271 is created to read as follows:

PAYMENT FOR SHARES

The consideration for the issuance of shares may be paid, in whole or in part, in cash, in other property, tangible or intangible, or in labor or services actually performed for the corporation. When payment of the consideration for which shares are to be issued shall have been received by the corporation, such shares shall be deemed to be fully paid and non-assessable.

Neither promissory notes nor future services shall constitute payment or part payment for the issuance of shares of a corporation.

In the absence of fraud in the transaction, the judgment of the board of directors or the shareholders, as the case may be, as to the value of the consideration received for shares shall be conclusive.

Section 20. A new section of Kentucky Revised Statutes Chapter 271 is created to read as follows:

STOCK RIGHTS AND OPTIONS

Subject to any provisions in respect thereof set forth in its articles of incorporaton, a corporation may create and issue, whether or not in connection with the issuance and sale of any of its shares or other securities, rights or options entitling the holders thereof to purchase from the corporation shares of any class or classes. Such rights or options shall be evidenced in such manner as the board of directors shall approve and, subject to the provisions of the articles of incorporation, shall set forth the terms upon which, the time or times within which and the price or prices at which such shares may be purchased from the corporation upon the exercise of any such right or option. If such rights or options are to be issued to directors, officers or employees as such of the corporation or of any subsidiary thereof, and not to the shareholders generally, their issuance shall be approved by the affirmative vote of the holders of a majority of the shares entitled to vote thereon or shall be authorized by and consistent with a plan approved or ratified by such a vote of shareholders. In the absence of fraud in the transaction, the judgment of the board of directors as to the adequacy of the consideration received for such rights or options shall be conclusive. The price or prices to be received for any shares having a par value, other than treasury shares to be issued upon the exercise of such rights or options, shall not be less than the par value thereof.

Section 21. A new section of Kentucky Revised Statutes Chapter 271 is created to read as follows:

DETERMINATION OF AMOUNT OF STATED CAPITAL

In case of the issuance by a corporation of shares having a par value, the consideration received therefor shall constitute stated capital to the extent of the par value of such shares, and

the excess, if any, of such consideration shall constitute capital surplus.

In case of the issuance by a corporation of shares without par value, the entire consideration received therefor shall constitute stated capital unless the corporation shall determine as provided in this section that only a part thereof shall be stated capital. Within a period of sixty days after the issuance of any shares without par value, the board of directors may allocate to capital surplus any portion of the consideration received for the issuance of such shares. No such allocation shall be made of any portion of the consideration received for shares without par value having a preference in the assets of the corporation in the event of involuntary liquidation except the amount, if any, of such consideration in excess of such preference.

If shares have been or shall be issued by a corporation in merger or consolidation or in acquisition of all or substantially all of the outstanding shares or of the property and assets of another corporation, whether domestic or foreign, any amount that would otherwise constitute capital surplus under the foregoing provisions of this section may instead be allocated to earned surplus by the board of directors of the issuing corporation except that its aggregate earned surplus shall not exceed the sum of the earned surpluses as defined in this Act of the issuing corporation and of all other corporations, domestic or foreign, that were merged or consolidated or of which the shares or assets were acquired.

The stated capital of a corporation may be increased from time to time by resolution of the board of directors directing that all or a part of the surplus of the corporation be transferred to stated capital. The board of directors may direct that the amount of the surplus so transferred shall be deemed to be stated capital in respect of any designated class of shares.

Section 22. A new section of Kentucky Revised Statutes Chapter 271 is created to read as follows:

EXPENSES OF ORGANIZATION,
REORGANIZATION AND FINANCING

The reasonable charges and expenses of organization or reorganization of a corporation, and the reasonable expenses of

and compensation for the sale or underwriting of its shares, may be paid or allowed by such corporation out of the consideration received by it in payment for its shares without thereby rendering such shares not fully paid or assessable.

Section 23. A new section of Kentucky Revised Statutes Chapter 271 is created to read as follows:

CERTIFICATES REPRESENTING SHARES

The shares of a corporation shall be represented by certificates signed by the president or a vice president and the secretary or an assistant secretary of the corporation, and may be sealed with the seal of the corporation or a facsimile thereof. The signatures of the president or vice president and the secretary or assistant secretary upon a certificate may be facsimiles if the certificate is manually signed on behalf of a transfer agent or a registrar, other than the corporation itself or an employee of the corporation. In case any officer who has signed or whose facsimile signature has been placed upon such certificate shall have ceased to be such officer before such certificate is issued, it may be issued by the corporation with the same effect as if he were such officer at the date of its issue.

Every certificate representing shares issued by a corporation which is authorized to issue shares of more than one class shall set forth upon the face or back of the certificate, or shall state that the corporation will furnish to any shareholder upon request and without charge, a full statement of the designations, preferences, limitations, and relative rights of the shares of each class authorized to be issued, and if the corporation is authorized to issue any preferred or special class in series, the variations in the relative rights and preferences between the shares of each such series so far as the same have been fixed and determined and the authority of the board of directors to fix and determine the relative rights and preferences of subsequent series.

Each certificate representing shares shall state upon the face thereof:

(a) That the corporation is organized under the laws of this State.

(b) The name of the person to whom issued.

(c) The number and class of shares, and the designation of the series, if any, which such certificate represents.

(d) The par value of each share represented by such certificate, or a statement that the shares are without par value.

No certificate shall be issued for any share until such share is fully paid.

Section 24. A new section of Kentucky Revised Statutes Chapter 271 is created to read as follows:

FRACTIONAL SHARES

A corporation may (1) issue fractions of a share, (2) arrange for the disposition of fractional interests by those entitled thereto, (3) pay in cash the fair value of fractions of a share as of the time when those entitled to receive such fractions are determined, or (4) issue scrip in registered or bearer form which shall entitle the holder to receive a certificate for a full share upon the surrender of such scrip aggregating a full share. A certificate for a fractional share shall, but scrip shall not unless otherwise provided therein, entitle the holder to exercise voting rights, to receive dividends thereon, and to participate in any of the assets of the corporation in the event of liquidation. The board of directors may cause scrip to be issued subject to the condition that it shall become void if not exchanged for certificates representing full shares before a specified date, or subject to the condition that the shares for which scrip is exchangeable may be sold by the corporation and the proceeds thereof distributed to the holders of scrip, or subject to any other conditions which the board of directors may deem advisable.

Section 25. A new section of Kentucky Revised Statutes Chapter 271 is created to read as follows:

LIABILITY OF SUBSCRIBERS AND SHAREHOLDERS

A holder of or subscriber to shares of a corporation shall be under no obligation to the corporation or its creditors with respect to such shares other than the obligation to pay to the corporation the full consideration for which such shares were issued or to be issued and otherwise to comply with the terms of the subscription.

Any person becoming an assignee or transferee of shares or of a subscription for shares in good faith and without knowledge or notice that the full consideration therefor has not been paid shall not be personally liable to the corporation or its creditors for any unpaid portion of such consideration.

An executor, administrator, conservator, guardian, trustee, assignee for the benefit of creditors, or receiver shall not be personally liable to the corporation as a holder of or subscriber to shares of a corporation but the estate and funds in his hands shall be so liable.

No pledgee or other holder of shares as collateral security shall be personally liable as a shareholder.

A shareholder of a corporation shall not be personally liable for any debt or liability of the corporation.

Section 26. A new section of Kentucky Revised Statutes Chapter 271 is created to read as follows:

SHAREHOLDERS' PREEMPTIVE RIGHTS

The shareholders of a corporation shall have no preemptive right to acquire unissued or treasury shares of the corporation or securities of the corporation convertible into or carrying a right to subscribe to or acquire shares, except to the extent, if any, that such right is provided in the articles of incorporation.

Section 27. A new section of Kentucky Revised Statutes Chapter 271 is created to read as follows:

BY-LAWS

The initial by-laws of a corporation shall be adopted by its board of directors. The power to alter, amend or repeal the by-laws or adopt new by-laws, subject to repeal or change by action of the shareholders, shall be vested in the board of directors unless reserved to the shareholders by the articles of incorporation. The by-laws may contain any provisions for the regulation and management of the affairs of the corporation not inconsistent with law or the articles of incorporation.

Section 27A. A new section of Kentucky Revised Statutes Chapter 271 is created to read as follows:

BY-LAWS AND OTHER POWERS IN EMERGENCY

The board of directors of any corporation may adopt emergency by-laws, subject to repeal or change by action of the shareholders, which shall, notwithstanding any different provision elsewhere in this Act or in the articles of incorporation or by-laws, be operative during any emergency in the conduct of the business of the corporation resulting from an attack on the United States or any nuclear or atomic disaster. The emergency by-laws may make any provision that may be practical and necessary for the circumstances of the emergency, including provisions that:

(a) A meeting of the board of directors may be called by any officer or director in such manner and under such conditions as shall be prescribed in the emergency by-laws;

(b) The director or directors in attendance at the meeting, or any greater number fixed by the emergency by-laws, shall constitute a quorum; and

(c) The officers or other persons designated on a list approved by the board of directors before the emergency, all in such order of priority and subject to such conditions, and for such period of time (not longer than reasonably necessary after the termination of the emergency) as may be provided in the emergency by-laws or in the resolution approving the list shall, to the extent required to provide a quorum at any meeting of the board of directors, be deemed directors for such meeting.

The board of directors, either before or during any such emergency, may provide, and from time to time modify, lines of succession in the event that during such an emergency any or all officers or agents of the corporation shall for any reason be rendered incapable of discharging their duties.

The board of directors, either before or during any such emergency, may, effective in the emergency, change the head office or designate several alternative head offices or regional offices, or authorize the officers so to do.

To the extent not inconsistent with any emergency by-laws so adopted, the by-laws of the corporation shall remain in effect

during any such emergency and upon its termination the emergency by-laws shall cease to be operative.

Unless otherwise provided in emergency by-laws, notice of any meeting of the board of directors during any such emergency may be given only to such of the directors as it may be feasible to reach at the time and by such means as may be feasible at the time, including publication or radio.

To the extent required to constitute a quorum at any meeting of the board of directors during any such emergency, the officers of the corporation who are present shall, unless otherwise provided in emergency by-laws, be deemed, in order of rank and within the same rank in order of seniority, directors for such meeting.

No officer, director or employee acting in accordance with any emergency by-laws shall be liable except for willful misconduct. No officer, director or employee shall be liable for any action taken by him in good faith in such an emergency in furtherance of the ordinary business affairs of the corporation even though not authorized by the by-laws then in effect.

Section 28. A new section of Kentucky Revised Statutes Chapter 271 is created to read as follows:

MEETINGS OF SHAREHOLDERS

Meetings of shareholders may be held at such place within or without this State as may be stated in or fixed in accordance with the by-laws. If no other place is stated or so fixed, meetings shall be held at the registered office of the corporation.

An annual meeting of the shareholders shall be held at such time as may be stated in or fixed in accordance with the by-laws. If the annual meeting is not held within any thirteen-month period the circuit court of the county in which is located the registered office of the corporation may, on the application of any shareholder, summarily order a meeting to be held.

Special meetings of the shareholders may be called by the board of directors, the holders of not less than one-tenth of all the shares entitled to vote at the meeting, or such other persons as may be authorized in the articles of incorporation or the by-laws.

Section 29. A new section of Kentucky Revised Statutes Chapter 271 is created to read as follows:

NOTICE OF SHAREHOLDERS' MEETINGS

(a) Written notice stating the place, day and hour of the meeting and, in case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered not less than ten nor more than fifty days before the date of the meeting, either personally or by mail, by or at the direction of the president, the secretary, or the officer or persons calling the meeting, to each shareholder of record entitled to vote at such meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail addressed to the shareholder at his address as it appears on the stock transfer books of the corporation, with postage thereon prepaid.

(b) An adjournment or adjournments of any annual or special meeting may be taken without new notice being given, but any meeting at which directors are to be elected shall be adjourned only from day to day until such directors have been elected.

Section 30. A new section of Kentucky Revised Statutes Chapter 271 is created to read as follows:

CLOSING OF TRANSFER BOOKS AND FIXING RECORD DATE

For the purpose of determining shareholders entitled to notice of or to vote at any meeting of shareholders or any adjournment thereof, or entitled to receive payment of any dividend, or in order to make a determination of shareholders for any other proper purpose, the board of directors of a corporation may provide that the stock transfer books shall be closed for a stated period but not to exceed, in any case, fifty days. If the stock transfer books shall be closed for the purpose of determining shareholders entitled to notice of or to vote at a meeting of shareholders, such books shall be closed for at least ten days immediately preceding such meeting. In lieu of closing the stock transfer books, the by-laws, or in the absence of an applicable by-law the board of directors, may fix in advance a date as the record date for any such determination of shareholders, such date in any case to be not more than fifty days and, in

case of a meeting of shareholders, not less than ten days prior to the date on which the particular action, requiring such determination of shareholders, is to be taken. If the stock transfer books are not closed and no record date is fixed for the determination of shareholders entitled to notice of or to vote at a meeting of shareholders, or shareholders entitled to receive payment of a dividend, the date on which notice of the meeting is mailed or the date on which the resolution of the board of directors declaring such dividend is adopted, as the case may be, shall be the record date for such determination of shareholders. When a determination of shareholders entitled to vote at any meeting of shareholders has been made as provided in this section, such determination shall apply to any adjournment thereof.

Section 31. A new section of Kentucky Revised Statutes Chapter 271 is created to read as follows:

VOTING RECORD

The officer or agent having charge of the stock transfer books for shares of a corporation shall make a complete record of the shareholders entitled to vote at such meeting or any adjournment thereof, arranged in alphabetical order, with the address of and the number of shares held by each. Such record shall be produced and kept open at the time and place of the meeting and shall be subject to the inspection of any shareholder during the whole time of the meeting for the purposes thereof.

Failure to comply with the requirements of this section shall not affect the validity of any action taken at such meeting.

An officer or agent having charge of the stock transfer books who shall fail to prepare the record of shareholders, or produce and keep it open for inspection at the meeting, as provided in this section, shall be liable to any shareholder suffering damage on account of such failure, to the extent of such damage.

Section 32. A new section of Kentucky Revised Statutes Chapter 271 is created to read as follows:

QUORUM OF SHAREHOLDERS

Unless otherwise provided in the articles of incorporation, a majority of the shares entitled to vote, represented in person

or by proxy, shall constitute a quorum at a meeting of shareholders, but in no event shall a quorum consist of less than one-third of the shares entitled to vote at the meeting. If a quorum is present, the affirmative vote of the majority of the shares represented at the meeting and entitled to vote on the subject matter shall be the act of the shareholders, unless the vote of a greater number or voting by classes is required by this Act or the articles of incorporation or by-laws.

The shareholders present at a duly organized meeting can continue to do business until adjournment, notwithstanding the withdrawal of enough shareholders to leave less than a quorum.

If a meeting is not organized because a quorum is not present, the shareholders present may adjourn the meeting to such time and place as they may determine, subject, however, to the provisions of paragraph (b) of Section 29 of this Act; but in the case of any meeting called for the election of directors, those who attend the second of such adjourned meetings, although less than a quorum as fixed in this section or in the articles of incorporation shall nevertheless constitute a quorum for the purpose of electing directors.

Section 33. A new section of Kentucky Revised Statutes Chapter 271 is created to read as follows:

VOTING OF SHARES

Each outstanding share, regardless of class, shall be entitled to one vote on each matter submitted to a vote at a meeting of shareholders, except as may be otherwise provided in the articles of incorporation. If the articles of incorporation provide for more or less than one vote for any share, on any matter, every reference in this Act to a majority or other proportion of shares shall refer to such a majority or other proportion of votes entitled to be cast.

Neither treasury shares, nor shares held by another corporation if a majority of the shares entitled to vote for the election of directors of such other corporation is held by the corporation, shall be voted at any meeting or counted in determining the total number of outstanding shares at any given time.

A shareholder may vote either in person or by proxy executed in writing by the shareholder or by his duly authorized at-

torney-in-fact. No proxy shall be valid after eleven months from the date of its execution, unless otherwise provided in the proxy.

At each election for directors every shareholder entitled to vote at such election shall have the right to vote, in person or by proxy, the number of shares owned by him for as many persons as there are directors to be elected and for whose election he has a right to vote, or to cumulate his votes by giving one candidate as many votes as the number of such directors multiplied by the number of his shares shall equal, or by distributing such votes on the same principle among any number of such candidates.

Shares standing in the name of another corporation, domestic or foreign, may be voted by such officer, agent or proxy as the by-laws of such other corporation may prescribe, or, in the absence of such provision, as the board of directors of such other corporation may determine.

Shares held by an administrator, executor, guardian or conservator may be voted by him, either in person or by proxy, without a transfer of such shares into his name. Shares standing in the name of a trustee may be voted by him, either in person or by proxy, but no trustee shall be entitled to vote shares held by him without a transfer of such shares into his name.

Where shares are held jointly by three or more fiduciaries acting under an instrument becoming effective after June 30, 1946, the will of the majority of such fiduciaries shall control the manner of voting or the giving of a proxy unless the instrument or order appointing the fiduciaries otherwise directs. Where, in any case, fiduciaries are equally divided upon the manner of voting shares jointly held by them, any court of competent jurisdiction may, upon petition filed by any of the fiduciaries, or by any beneficiary, appoint an additional person to act with the fiduciaries in determining the manner in which the shares shall be voted upon the particular questions as to which the fiduciaries are divided.

Shares standing in the name of a receiver may be voted by such receiver, and shares held by or under the control of a receiver may be voted by such receiver without the transfer thereof into his name if authority so to do be contained in an ap-

propriate order of the court by which such receiver was appointed.

A shareholder whose shares are pledged shall be entitled to vote such shares until the shares have been transferred into the name of the pledgee, and thereafter the pledgee shall be entitled to vote the shares so transferred.

On and after the date on which written notice of redemption of redeemable shares has been mailed to the holders thereof and a sum sufficient to redeem such shares has been deposited with a bank or trust company with irrevocable instruction and authority to pay the redemption price to the holders thereof upon surrender of certificates therefor, such shares shall not be entitled to vote on any matter and shall not be deemed to be outstanding shares.

Section 34. A new section of Kentucky Revised Statutes Chapter 271 is created to read as follows:

VOTING TRUSTS AND AGREEMENTS AMONG SHAREHOLDERS

Any number of shareholders of a corporation may create a voting trust for the purpose of conferring upon a trustee or trustees the right to vote or otherwise represent their shares, for a period of not to exceed ten years, by entering into a written voting trust agreement specifying the terms and conditions of the voting trust, by depositing a counterpart of the agreement with the corporation at its registered office, and by transferring their shares to such trustee or trustees for the purposes of the agreement. Such trustee or trustees shall keep a record of the holders of voting trust certificates evidencing a beneficial interest in the voting trust, giving the names and addresses of all such holders and the number and class of the shares in respect of which the voting trust certificates held by each are issued, and shall deposit a copy of such record with the corporation at its registered office. The counterpart of the voting trust agreement and the copy of such record so deposited with the corporation shall be subject to the same right of examination by a shareholder of the corporation, in person or by agent or attorney, as are the books and records of the corporation, and such counterpart and such copy of such record shall be subject to examination by any holder

of record of voting trust certificates, either in person or by agent or attorney, at any reasonable time for any proper purpose.

Agreements among shareholders regarding the voting of their shares shall be valid and enforceable in accordance with their terms. Such agreements shall not be subject to the provisions of this section regarding voting trusts.

Section 35. A new section of Kentucky Revised Statutes Chapter 271 is created to read as follows:

BOARD OF DIRECTORS

The business and affairs of a corporation shall be managed by a board of directors except as may be otherwise provided in the articles of incorporation. If any such provision is made in the articles of incorporation, the powers and duties conferred or imposed upon the board of directors by this Act shall be exercised or performed to such extent and by such person or persons as shall be provided in the articles of incorporation. Directors need not be residents of this State or shareholders of the corporation unless the articles of incorporation or by-laws so require. The articles of incorporation or by-laws may prescribe other qualifications for directors. The board of directors shall have authority to fix the compensation of directors unless otherwise provided in the articles of incorporation.

Section 36. A new section of Kentucky Revised Statutes Chapter 271 is created to read as follows:

NUMBER AND ELECTION OF DIRECTORS

The board of directors of a corporation shall consist of one or more members. The number of directors shall be fixed by, or in the manner provided in, the articles of incorporation or the by-laws, except as to the number constituting the initial board of directors, which number shall be fixed by the articles of incorporation. The number of directors may be increased or decreased from time to time by amendment to, or in the manner provided in, the articles of incorporation or the by-laws, but no decrease shall have the effect of shortening the term of any incumbent director. In the absence of a by-law providing for the number of directors, the number shall be the same as that provided for in the articles of incorporation. The names and ad-

dresses of the members of the first board of directors shall be stated in the articles of incorporation. Such persons shall hold office until the first annual meeting of shareholders, and until their successors shall have been elected and qualified. At the first annual meeting of shareholders and at each annual meeting thereafter the shareholders shall elect directors to hold office until the next succeeding annual meeting, except in case of the classification of directors as permitted by this Act. Each director shall hold office for the term for which he is elected and until his successor shall have been elected and qualified.

Section 37. A new section of Kentucky Revised Statutes Chapter 271 is created to read as follows:

CLASSIFICATION OF DIRECTORS

When the board of directors shall consist of nine or more members, in lieu of electing the whole number of directors annually, the articles of incorporation may provide that the directors be divided into either two or three classes, each class to be as nearly equal in number as possible, the term of office of directors of the first class to expire at the first annual meeting of shareholders after their election, that of the second class to expire at the second annual meeting after their election, and that of the third class, if any, to expire at the third annual meeting after their election. At each annual meeting after such classification the number of directors equal to the number of the class whose term expires at the time of such meeting shall be elected to hold office until the second succeeding annual meeting, if there be two classes, or until the third succeeding annual meeting, if there be three classes. No classification of directors shall be effective prior to the first annual meeting of shareholders.

Section 38. A new section of Kentucky Revised Statutes Chapter 271 is created to read as follows:

VACANCIES

Any vacancy occurring in the board of directors may be filled by the affirmative vote of a majority of the remaining directors though less than a quorum of the board of directors. A director elected to fill a vacancy shall be elected for the unexpired term of his predecessor in office. Any directorship to be filled by reason of an increase in the number of directors may be

filled by the board of directors for a term of office continuing only until the next election of directors by the shareholders.

Section 39. A new section of Kentucky Revised Statutes Chapter 271 is created to read as follows:

REMOVAL OF DIRECTORS

At a meeting of shareholders called expressly for that purpose, directors may be removed in the manner provided in this section. Any director or the entire board of directors may be removed, with or without cause, by a vote of the holders of a majority of the shares then entitled to vote at an election of directors.

In the case of a corporation having cumulative voting, if less than the entire board is to be removed, no one of the directors may be removed if the votes cast against his removal would be sufficient to elect him if then cumulatively voted at an election of the entire board of directors, or, if there be classes of directors, at an election of the class of directors of which he is a part.

Whenever the holders of the shares of any class are entitled to elect one or more directors by the provisions of the articles of incorporation, the provisions of this section shall apply, in respect to the removal of a director or directors so elected, to the vote of the holders of the outstanding shares of that class and not to the vote of the outstanding shares as a whole.

Section 40. A new section of Kentucky Revised Statutes Chapter 271 is created to read as follows:

QUORUM OF DIRECTORS

A majority of the number of directors fixed by or in the manner provided in the by-laws or in the absence of a by-law fixing or providing for the number of directors, then of the number stated in the articles of incorporation, shall constitute a quorum for the transaction of business unless a greater number is required by the articles of incorporation or the by-laws. The act of the majority of the directors present at a meeting at which a quorum is present shall be the act of the board of directors, unless the act of a greater number is required by the articles of incorporation or the by-laws.

Section 41. A new section of Kentucky Revised Statutes Chapter 271 is created to read as follows:

DIRECTORS CONFLICTS OF INTEREST

No contract or other transaction between a corporation and one or more of its directors or any other corporation, firm, association or entity in which one or more of its directors are directors or officers or are financially interested, shall be either void or voidable because of such relationship or interest or because such director or directors are present at the meeting of the board of directors or a committee thereof which authorizes, approves or ratifies such contract or transaction or because his or their votes are counted for such purpose, if:

(a) the fact of such relationship or interest is disclosed or known to the board of directors or committee which authorizes, approves or ratifies the contract or transaction by a vote or consent sufficient for the purpose without counting the votes or consents of such interested directors; or

(b) the fact of such relationship or interest is disclosed or known to the shareholders entitled to vote and they authorize, approve or ratify such contract or transaction by vote or written consent; or

(c) the contract or transaction is fair and reasonable to the corporation.

Common or interested directors may be counted in determining the presence of a quorum at a meeting of the board of directors or a committee thereof which authorizes, approves or ratifies such contract or transaction.

Section 42. A new section of Kentucky Revised Statutes Chapter 271 is created to read as follows:

EXECUTIVE AND OTHER COMMITTEES

If the articles of incorporation or the by-laws so provide, the board of directors, by resolution adopted by a majority of the full board of directors, may designate from among its members an executive committee and one or more other committees each of which, to the extent provided in such resolution or in the articles of incorporation or the

by-laws of the corporation, shall have and may exercise all the authority of the board of directors, but no such committee shall have the authority of the board of directors in reference to amending the articles of incorporation, adopting a plan of merger or consolidation, recommending to the shareholders the sale, lease, exchange or other disposition of all or substantially all the property and assets of the corporation otherwise than in the usual and regular course of its business, recommending to the shareholders a voluntary dissolution of the corporation or a revocation thereof, or amending the by-laws of the corporation. The designation of any such committee and the delegation thereto of authority shall not operate to relieve the board of directors, or any member thereof, of any responsibility imposed by law.

Section 43. A new section of Kentucky Revised Statutes Chapter 271 is created to read as follows:

PLACE AND NOTICE OF
DIRECTORS' MEETINGS

Meetings of the board of directors, regular or special, may be held either within or without this State.

Regular meetings of the board of directors may be held with or without notice as prescribed in the by-laws. Special meetings of the board of directors shall be held upon such notice as is prescribed in the by-laws. Attendance of a director at a meeting shall constitute a waiver of notice of such meeting, except where a director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the board of directors need be specified in the notice or waiver of notice of such meeting unless required by the by-laws.

Section 44. A new section of Kentucky Revised Statutes Chapter 271 is created to read as follows:

ACTION BY DIRECTORS
WITHOUT A MEETING

Unless otherwise provided by the articles of incorporation or by-laws, any action required by this Act to be taken at a meet-

ing of the directors of a corporation, or any action which may be taken at a meeting of the directors or of a committee, may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the directors, or all of the members of the committee, as the case may be. Such consent shall have the same effect as a unanimous vote.

Section 45. A new section of Kentucky Revised Statutes Chapter 271 is created to read as follows:

DIVIDENDS

The board of directors of a corporation may, from time to time, declare and the corporation may pay dividends in cash, property, or its own shares, except when the corporation is insolvent or when the payment thereof would render the corporation insolvent or when the declaration or payment thereof would be contrary to any restriction contained in the articles of incorporation, subject to the following provisions:

(a) Dividends may be declared and paid in cash or property only out of the unreserved and unrestricted earned surplus of the corporation, or out of the unreserved and unrestricted net earnings of the current fiscal year and the next preceding fiscal year taken as a single period, except as otherwise provided in this section.

(b) If the articles of incorporation of a corporation engaged in the business of exploiting natural resources so provide, dividends may be declared and paid in cash out of the depletion reserves, but each such dividend shall be identified as a distribution of such reserves and the amount per share paid from such reserves shall be disclosed to the shareholders receiving the same concurrently with the distribution thereof.

(c) Dividends may be declared and paid in its own treasury shares.

(d) Dividends may be declared and paid in its own authorized but unissued shares out of any unreserved and unrestricted surplus of the corporation upon the following conditions:

(1) If a dividend is payable in its own shares having a par value, such shares shall be issued at not less than the par value thereof and there shall be transferred to stated capital at

the time such dividend is paid an amount of surplus equal to the aggregate par value of the shares to be issued as a dividend.

(2) If a dividend is payable in its own shares without par value, such shares shall be issued at such stated value as shall be fixed by the board of directors by resolution adopted at the time such dividend is declared, and there shall be transferred to stated capital at the time such dividend is paid an amount of surplus equal to the aggregate stated value so fixed in respect of such shares; and the amount per share so transferred to stated capital shall be disclosed to the shareholders receiving such dividend concurrently with the payment thereof.

(e) No dividend payable in shares of any class shall be paid to the holders of shares of any other class unless the articles of incorporation so provide or such payment is authorized by the affirmative vote or the written consent of the holders of at least a majority of the outstanding shares of the class in which the payment is to be made.

A split-up or division of the issued shares of any class into a greater number of shares of the same class without increasing the stated capital of the corporation shall not be construed to be a share dividend within the meaning of this section.

Section 46. A new section of Kentucky Revised Statutes Chapter 271 is created to read as follows:

DISTRIBUTIONS FROM CAPITAL SURPLUS

The board of directors of a corporation may, from time to time, distribute to its shareholders out of capital surplus of the corporation a portion of its assets, in cash or property, subject to the following provisions:

(a) No such distribution shall be made at a time when the corporation is insolvent or when such distribution would render the corporation insolvent.

(b) No such distribution shall be made unless the articles of incorporation so provide or such distribution is authorized by the affirmative vote of the holders of a majority of the outstanding shares of each class whether or not entitled to vote thereon by the provisions of the articles of incorporation of the corporation.

(c) No such distribution shall be made to the holders of any class of shares unless all cumulative dividends accrued on all preferred or special classes of shares entitled to preferential dividends shall have been fully paid.

(d) No such distribution shall be made to the holders of any class of shares which would reduce the remaining net assets of the corporation below the aggregate preferential amount payable in event of involuntary liquidation to the holders of shares having preferential rights to the assets of the corporation in the event of liquidation.

(e) Each such distribution, when made, shall be identified as a distribution from capital surplus and the amount per share disclosed to the shareholders receiving the same concurrently with the distribution thereof.

The board of directors of a corporation may also, from time to time, distribute to the holders of its outstanding shares having a cumulative preferential right to receive dividends, in discharge of their cumulative dividend rights, dividends payable in cash out of the capital surplus of the corporation, if at the time the corporation has no earned surplus and is not insolvent and would not thereby be rendered insolvent. Each such distribution when made, shall be identified as a payment of cumulative dividends out of capital surplus.

Section 47. A new section of Kentucky Revised Statutes Chapter 271 is created to read as follows:

LOANS TO EMPLOYEES AND DIRECTORS

A corporation shall not lend money to or use its credit to assist its directors without authorization in the particular case by its shareholders, but may lend money to and use its credit to assist any employee of the corporation or of a subsidiary, including any such employee who is a director of the corporation, if the board of directors decides that such loan or assistance may benefit the corporation.

Section 48. A new section of Kentucky Revised Statutes Chapter 271 is created to read as follows:

LIABILITY OF DIRECTORS IN CERTAIN CASES

In addition to any other liabilities imposed by law upon directors of a corporation:

(a) Directors of a corporation who vote for or assent to the declaration of any dividend or other distribution of the assets of a corporation to its shareholders contrary to the provisions of this Act or contrary to any restrictions contained in the articles of incorporation, shall be jointly and severally liable to the corporation for the amount of such dividend which is paid or the value of such assets which are distributed in excess of the amount of such dividend or distribution which could have been paid or distributed without a violation of the provisions of this Act or the restrictions in the articles of incorporation.

(b) Directors of a corporation who vote for or assent to the purchase of its own shares contrary to the provisions of this Act shall be jointly and severally liable to the corporation for the amount of consideration paid for such shares which is in excess of the maximum amount which could have been paid therefor without a violation of the provisions of this Act.

(c) The directors of a corporation who vote for or assent to any distribution of assets of a corporation to its shareholders during the liquidation of the corporation without the payment and discharge of, or making adequate provision for, all known debts, obligations, and liabilities of the corporation shall be jointly and severally liable to the corporation for the value of such assets which are distributed, to the extent that such debts, obligations and liabilities of the corporation are not thereafter paid and discharged.

A director of a corporation who is present at a meeting of its board of directors at which action on any corporate matter is taken shall be presumed to have assented to the action taken unless his dissent shall be entered in the minutes of the meeting or unless he shall file his written dissent to such action with the secretary of the meeting before the adjournment thereof or shall forward such dissent by registered mail to the secretary of the corporation immediately after the adjournment of the meeting. Such right to dissent shall not apply to a director who voted in favor of such action.

A director shall not be liable under (a), (b) or (c) of this section if he relied and acted in good faith upon financial statements of the corporation represented to him to be correct by the president or the officer of such corporation having charge

of its books of account, or stated in a written report by any independent public or certified public accountant or firm of such accountants fairly to reflect the financial condition of such corporation, nor shall he be so liable if in good faith in determining the amount available for any such dividend or distribution he considered the assets to be of their book value.

Any director against whom a claim shall be asserted under or pursuant to this section for the payment of a dividend or other distribution of assets of a corporation and who shall be held liable thereon, shall be entitled to contribution from the shareholders who accepted or received any such dividend or assets, knowing such dividend or distribution to have been made in violation of this Act, in proportion to the amounts received by them.

Any director against whom a claim shall be asserted under or pursuant to this section shall be entitled to contribution from the other directors who voted for or assented to the action upon which the claim is asserted.

Section 49. A new section of Kentucky Revised Statutes Chapter 271 is created to read as follows:

PROVISIONS RELATING TO
ACTIONS BY SHAREHOLDERS

No action shall be brought in this State by a shareholder in the right of a domestic or foreign corporation unless the plaintiff was a holder of record of shares or of voting trust certificates therefor at the time of the transaction of which he complains, or his shares or voting trust certificates thereafter devolved upon him by operation of law from a person who was a holder of record at such time.

In any action hereafter instituted in the right of any domestic or foreign corporation by the holder or holders of record of shares of such corporation or of voting trust certificates therefor, the court having jurisdiction, upon final judgment and a finding that the action was brought without reasonable cause, may require the plaintiff or plaintiffs to pay to the parties named as defendant the reasonable expenses, including fees of attorneys, incurred by them in the defense of such action.

In any action now pending or hereafter instituted or maintained in the right of any domestic or foreign corporation by the holder or holders of record of less than five per cent of the outstanding shares of any class of such corporation or of voting trust certificates therefor, unless the shares or voting trust certificates so held have a market value in excess of twenty-five thousand dollars, the corporation in whose right such action is brought shall be entitled at any time before final judgment to require the plaintiff or plaintiffs to give security for the reasonable expenses, including fees of attorneys, that may be incurred by it in connection with such action or may be incurred by other parties named as defendant for which it may become legally liable. Market value shall be determined as of the date that the plaintiff institutes the action or, in the case of an intervenor, as of the date that he becomes a party to the action. The amount of such security may from time to time be increased or decreased, in the discretion of the court, upon showing that the security provided has or may become inadequate or is excessive. The corporation shall have recourse to such security in such amount as the court having jurisdiction shall determine upon the termination of such action, whether or not the court finds the action was brought without reasonable cause.

Section 50. A new section of Kentucky Revised Statutes Chapter 271 is created to read as follows:

OFFICERS

The officers of a corporation shall consist of a president, one or more vice presidents as may be prescribed by the by-laws, a secretary, and a treasurer, each of whom shall be elected by the board of directors at such time and in such manner as may be prescribed by the by-laws. Such other officers and assistant officers and agents as may be deemed necessary may be elected or appointed by the board of directors or chosen in such other manner as may be prescribed by the by-laws. Any two or more offices may be held by the same person, except the offices of president and secretary.

All officers and agents of the corporation, as between themselves and the corporation, shall have such authority and perform such duties in the management of the corporation as may be

provided in the by-laws, or as may be determined by resolution of the board of directors not inconsistent with the by-laws.

Section 51. A new section of Kentucky Revised Statutes Chapter 271 is created to read as follows:

REMOVAL OF OFFICERS

Any officer or agent may be removed by the board of directors whenever in its judgment the best interests of the corporation will be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the person so removed. Election or appointment of an officer or agent shall not of itself create contract rights.

Section 52. A new section of Kentucky Revised Statutes Chapter 271 is created to read as follows:

BOOKS AND RECORDS

Each corporation shall keep correct and complete books and records of account and shall keep minutes of the proceedings of its shareholders and board of directors and shall keep at its registered office or principal place of business, or at the office of its transfer agent or registrar, a record of its shareholders, giving the names and addresses of all shareholders and the number and class of the shares held by each. Any books, records and minutes may be in written form or in any other form capable of being converted into written form within a reasonable time.

Any person who shall have been a holder of record of shares or of voting trust certificates therefor at least six months immediately preceding his demand or shall be the holder of record of, or the holder of record of voting trust certificates for, at least five per cent of all the outstanding shares of the corporation, upon written demand stating the purpose thereof, shall have the right to examine, in person, or by agent or attorney, at any reasonable time or times, for any proper purpose its relevant books and records of accounts, minutes, and record of shareholders and to make extracts therefrom.

An inspection authorized by the next preceding paragraph may be denied to such shareholder or other person upon his refusal to furnish to the corporation, its transfer agent or registrar

an affidavit that such inspection is not desired for a purpose which is in the interest of a business or object other than the business of the corporation, that he has not within the five years preceding the date of the affidavit sold or offered for sale, and does not now intend to sell or offer for sale, any list of shareholders of the corporation or of any other corporation, and that he has not within said five-year period aided or abetted any other person in procuring any list of shareholders for such purpose. If the corporation, or an officer or agent of the corporation, refuses to permit the inspection authorized by the next preceding paragraph, the shareholder demanding inspection may apply to the circuit court for the county in which the corporation's registered office is located, upon such notice as the court may require, for an order directing the corporation, its officers or agent to show cause why an order should not be granted permitting such inspection by the applicant. The court shall hear the parties summarily, by affidavit or otherwise, and if the applicant establishes that he is qualified and is entitled to such inspection, the court shall grant an order permitting such inspection, subject to any limitations which the court may prescribe, and grant such other relief, including costs and reasonable attorney's fees, as the court may deem just and proper. The court may deny or restrict inspection if it finds that the shareholder has improperly used information secured through any prior examination of the books and records of account, or minutes or record of shareholders of such corporation or of any other corporation, or that he is not acting in good faith or for a proper purpose in making his demand.

Nothing herein contained shall impair the power of any court of competent jurisdiction, upon proof by a shareholder or holder of voting trust certificates of proper purpose, irrespective of the period of time during which such shareholder or holder of voting trust certificates shall have been a shareholder of record or a holder of record of voting trust certificates, and irrespective of the number of shares held by him or represented by voting trust certificates held by him, to compel the production for examination by such shareholder or holder of voting trust certificates of the books and records of account, minutes and record of shareholders of a corporation.

Upon the written request of any shareholder or holder of voting trust certificates for shares of a corporation, the corporation shall mail to such shareholder or holder of voting trust certificates its most recent financial statements showing in reasonable detail its assets and liabilities and the results of its operations.

Section 53. A new section of Kentucky Revised Statutes Chapter 271 is created to read as follows:

INCORPORATORS

One or more persons, or a domestic or foreign corporation, may act as incorporator or incorporators of a corporation by signing and delivering in triplicate to the Secretary of State articles of incorporation for such corporation.

Section 54. A new section of Kentucky Revised Statutes Chapter 271 is created to read as follows:

ARTICLES OF INCORPORATION

The articles of incorporation shall set forth:

(a) The name of the corporation.

(b) The period of duration, which may be perpetual.

(c) The purpose or purposes for which the corporation is organized which may be stated to be, or to include, the transaction of any or all lawful business for which corporations may be incorporated under this Act.

(d) The aggregate number of shares which the corporation shall have authority to issue; if such shares are to consist of one class only, the par value of each of such shares, or a statement that all of such shares are without par value; or, if such shares are to be divided into classes, the number of shares of each class, and a statement of the par value of the shares of each such class or that such shares are to be without par value.

(e) If the shares are to be divided into classes, the designation of each class and a statement of the preferences, limitations and relative rights in respect of the shares of each class.

(f) If the corporation is to issue the shares of any preferred or special class in series, then the designation of each series and a statement of the variations in the relative rights and

preferences as between series insofar as the same are to be fixed in the articles of incorporation, and a statement of any authority to be vested in the board of directors to establish series and fix and determine the variations in the relative rights and preferences as between series.

(g) If any preemptive right is to be granted to shareholders, the provisions therefor.

(h) Any provision, not inconsistent with law, which the incorporators elect to set forth in the articles of incorporation for the regulation of the internal affairs of the corporation, including any provision restricting the transfer of shares and any provision which under this Act is required or permitted to be set forth in the by-laws.

(i) The address of its initial registered office, and the name of its initial registered agent at such address.

(j) The number of directors constituting the initial board of directors and the names and addresses of the persons who are to serve as directors until the first annual meeting of shareholders or until their successors be elected and qualify.

(k) The name and address of each incorporator.

It shall not be necessary to set forth in the articles of incorporation any of the corporate powers enumerated in this Act.

Section 55. A new section of Kentucky Revised Statutes Chapter 271 is created to read as follows:

FILING OF ARTICLES OF INCORPORATION

Triplicate originals of the articles of incorporation shall be delivered to the Secretary of State. If the Secretary of State finds that the articles of incorporation conform to law, he shall, when all fees have been paid as in this Act prescribed:

(a) Endorse on each of such triplicate originals the word "Filed," and the month, day and year of the filing thereof.

(b) File one of such triplicate originals in his office.

(c) Issue a certificate of incorporation to which he shall affix one other triplicate original.

The certificate of incorporation, together with the two triplicate originals of the articles of incorporation, shall be returned

to the incorporators or their representative. One of such triplicate originals shall then be filed with and recorded by the clerk of the county court of the county in which is situated the registered office of the corporation.

Section 56. A new section of Kentucky Revised Statutes Chapter 271 is created to read as follows:

EFFECT OF ISSUANCE OF CERTIFICATE OF INCORPORATION

Upon the issuance of the certificate of incorporation, the corporate existence shall begin, and such certificate of incorporation shall be conclusive evidence that all conditions precedent required to be performed by the incorporators have been complied with and that the corporation has been incorporated under this Act, except as against this State in a proceeding to cancel or revoke the certificate of incorporation or for involuntary dissolution of the corporation.

Section 57. A new section of Kentucky Revised Statutes Chapter 271 is created to read as follows:

ORGANIZATION MEETING OF DIRECTORS

After the issuance of the certificate of incorporation an organization meeting of the board of directors named in the articles of incorporation shall be held, either within or without this State, at the call of a majority of the directors named in the articles of incorporation, for the purpose of adopting by-laws, electing officers and transacting such other business as may come before the meeting. The directors calling the meeting shall give at least three days' notice thereof by mail to each director so named, stating the time and place of the meeting.

Section 58. A new section of Kentucky Revised Statutes Chapter 271 is created to read as follows:

RIGHT TO AMEND ARTICLES OF INCORPORATION

A corporation may amend its articles of incorporation, from time to time, in any and as many respects as may be desired, so long as its articles of incorporation as amended contain only such provisions as might be lawfully contained in original articles of incorporation at the time of making such amendment, and, if a

change in shares or the rights of shareholders, or an exchange, reclassification or cancellation of shares or rights of shareholders is to be made, such provisions as may be necessary to effect such change, exchange, re-classification or cancellation.

In particular, and without limitation upon such general power of amendment, a corporation may amend its articles of incorporation, from time to time, so as:

(a) To change its corporate name.

(b) To change its period of duration.

(c) To change, enlarge or diminish its corporate purposes.

(d) To increase or decrease the aggregate number of shares, or shares of any class, which the corporation has authority to issue.

(e) To increase or decrease the par value of the authorized shares of any class having a par value, whether issued or unissued.

(f) To exchange, classify, reclassify or cancel all or any part of its shares, whether issued or unissued.

(g) To change the designation of all or any part of its shares, whether issued or unissued, and to change the preferences, limitations, and the relative rights in respect of all or any part of its shares, whether issued or unissued.

(h) To change shares having the par value, whether issued or unissued, into the same or a different number of shares without par value, and to change shares without par value, whether issued or unissued, into the same or a different number of shares having a par value.

(i) To change the shares of any class, whether issued or unissued, and whether with or without par value, into a different number of shares of the same class or into the same or a different number of shares, either with or without par value, or other classes.

(j) To create new classes of shares having rights and preferences either prior and superior or subordinate and inferior to the shares of any class then authorized, whether issued or unissued.

(k) To cancel or otherwise affect the right of the holders of the shares of any class to receive dividends which have accrued but have not been declared.

(l) To divide any preferred or special class of shares, whether issued or unissued, into series and fix and determine the designations of such series and the variations in the relative rights and preferences as between the shares of such series.

(m) To authorize the board of directors to establish, out of authorized but unissued shares, series of any preferred or special class of shares and fix and determine the relative rights and preferences of the shares of any series so established.

(n) To authorize the board of directors to fix and determine the relative rights and preferences of the authorized but unissued shares of series theretofore established in respect of which either the relative rights and preferences have not been fixed and determined or the relative rights and preferences theretofore fixed and determined are to be changed.

(o) To revoke, diminish, or enlarge the authority of the board of directors to establish series out of authorized but unissued shares of any preferred or special class and fix and determine the relative rights and preferences of the shares of any series so established.

(p) To limit, deny or grant to shareholders of any class the preemptive right to acquire additional or treasury shares of the corporation, whether then or thereafter authorized

Section 59. A new section of Kentucky Revised Statutes Chapter 271 is created to read as follows:

PROCEDURE TO AMEND ARTICLES OF INCORPORATION

Amendments to the articles of incorporation shall be made in the following manner:

(a) The board of directors shall adopt a resolution setting forth the proposed amendment and, if shares have been issued, directing that it be submitted to a vote at a meeting of shareholders, which may be either the annual or a special meeting. If no shares have been issued, the amendment shall be adopted by resolution of the board of directors and the provisions for adoption by shareholders shall not apply. The resolution may incorporate the proposed amendment in restated articles of incorporation which contain a statement that except for the designated amendment the restated articles of incorporation correctly set forth with-

out change the corresponding provisions of the articles of incorporation as theretofore amended, and that the restated articles of incorporation together with the designated amendment supersede the original articles of incorporation and all amendments thereto.

(b) Written notice setting forth the proposed amendment or a summary of the changes to be affected thereby shall be given to each shareholder of record entitled to vote thereon within the time and in the manner provided in this Act for the giving of notice of meetings of shareholders. If the meeting be an annual meeting, the proposed amendment of such summary may be included in the notice of such annual meeting.

(c) At such meeting a vote of the shareholders entitled to vote thereon shall be taken on the proposed amendment. The proposed amendment shall be adopted upon receiving the affirmative vote of the holders of a majority of the shares entitled to vote thereon, unless any class of shares is entitled to vote thereon as a class, in which event the proposed amendment shall be adopted upon receiving the affirmative vote of the holders of a majority of the shares of each class of shares entitled to vote thereon as a class and of the total shares entitled to vote thereon.

Any number of amendments may be submitted to the shareholders, and voted upon by them, at one meeting.

Section 60. A new section of Kentucky Revised Statutes Chapter 271 is created to read as follows:

CLASS VOTING ON AMENDMENTS

The holders of the outstanding shares of a class shall be entitled to vote as a class upon a proposed amendment, whether or not entitled to vote thereon by the provisions of the articles of incorporation, if the amendment would:

(a) Increase or decrease the aggregate number of authorized shares of such class.

(b) Increase or decrease the par value of the shares of such class.

(c) Effect an exchange, reclassification or cancellation of all or part of the shares of such class.

(d) Effect an exchange, or create a right of exchange, of all or any part of the shares of another class into the shares of such class.

(e) Change the designations, preferences, limitations or relative rights of the shares of such class.

(f) Change the shares of such class, whether with or without par value, into the same or a different number of shares, either with or without par value, of the same class or another class or classes.

(g) Create a new class of shares having rights and preferences prior and superior to the shares of such class, or increase the rights and preferences or the number of authorized shares, of any class having rights and preferences prior or superior to the shares of such class.

(h) In the case of a preferred or special class of shares, divide the shares of such class into series and fix and determine the designation of such series and the variations in the relative rights and preferences between the shares of such series, or authorize the board of directors to do so.

(i) Limit or deny any existing preemptive rights of the shares of such class.

(j) Cancel or otherwise affect dividends on the shares of such class which have accrued but have not been declared.

Section 61. A new section of Kentucky Revised Statutes Chapter 271 is created to read as follows:

ARTICLES OF AMENDMENT

The articles of amendment shall be executed in triplicate by the corporation by its president or a vice president and by its secretary or an assistant secretary, and verified by one of the officers signing such articles, and shall set forth:

(a) The name of the corporation.

(b) The amendments so adopted.

(c) The date of the adoption of the amendment by the shareholders, or by the board of directors where no shares have been issued.

(d) The number of shares outstanding, and the number of shares entitled to vote thereon, and if the shares of any class are entitled to vote thereon as a class, the designation and number of outstanding shares entitled to vote thereon of each such class.

(e) The number of shares voted for and against such amendment, respectively, and, if the shares of any class are entitled to vote thereon as a class, the number of shares of each such class voted for and against such amendment, respectively, or if no shares have been issued, a statement to that effect.

(f) If such amendment provides for an exchange, reclassification or cancellation of issued shares, and if the manner in which the same shall be effected is not set forth in the amendment, then a statement of the manner in which the same shall be effected.

(g) If such amendment effects a change in the amount of stated capital, then a statement of the manner in which the same is effected and a statement, expressed in dollars, of the amount of stated capital as changed by such amendment.

Section 62. A new section of Kentucky Revised Statutes Chapter 271 is created to read as follows:

FILING OF ARTICLES OF AMENDMENT

Triplicate originals of the articles of amendment shall be delivered to the Secretary of State. If the Secretary of State finds that the articles of amendment conform to law, he shall, when all fees have been paid as in this Act prescribed:

(a) Endorse on each of such triplicate originals the word "Filed," and the month, day and year of the filing thereof.

(b) File one of such triplicate originals in his office.

(c) Issue a certificate of amendment to which he shall affix one other triplicate original.

The certificate of amendment, together with the two triplicate originals of the articles of amendment, shall be returned to the corporation of its representative. One of such triplicate originals shall then be filed with and recorded by the clerk of the county court in the county in which is situated the registered office of the corporation.

Section 63. A new section of Kentucky Revised Statutes Chapter 271 is created to read as follows:

EFFECT OF CERTIFICATE OF AMENDMENT

Upon the issuance of the certificate of amendment by the Secretary of State, the amendment shall become effective and

the articles of incorporation shall be deemed to be amended accordingly.

No amendment shall affect any existing cause of action in favor of or against such corporation, or any pending suit to which such corporation shall be a party, or the existing rights of persons other than shareholders; and, in the event the corporate name shall be changed by amendment, no suit brought by or against such corporation under its former name shall abate for that reason.

Section 64. A new section of Kentucky Revised Statutes Chapter 271 is created to read as follows:

RESTATED ARTICLES OF INCORPORATION

A domestic corporation may at any time restate its articles of incorporation as theretofore amended, by a resolution adopted by the board of directors.

Upon the adoption of such resolution, restated articles of incorporation shall be executed in triplicate by the corporation by its president or a vice president and by its secretary or assistant secretary and verified by one of the officers signing such articles and shall set forth all of the operative provisions of the articles of incorporation as theretofore amended together with a statement that the restated articles of incorporation correctly set forth without change the corresponding provisions of the articles of incorporation as theretofore amended and that the restated articles of incorporation supersede the original articles of incorporation and all amendments thereto.

Triplicate originals of the restated articles of incorporation shall be delivered to the Secretary of State. If the Secretary of State finds that such restated articles of incorporation conform to law, he shall, when all fees have been paid as in this Act prescribed:

(1) Endorse on each of such triplicate originals the word "Filed," and the month, day and year of the filing thereof.

(2) File one of such triplicate originals in his office.

(e) Issue a restated certificate of incorporation, to which he shall affix one other triplicate original.

The restated certificate of incorporation, together with the two triplicate originals of the restated articles of incorporation, shall be returned to the corporation or its representative. One of such triplicate originals shall then be filed with and recorded by the clerk of the county court in the county in which is situated the registered office of the corporation.

Upon the issuance of the restated certificate of incorporation by the Secretary of State, the restated articles of incorporation shall become effective and shall supersede the original articles of incorporation and all amendments thereto.

Section 65. A new section of Kentucky Revised Statutes Chapter 271 is created to read as follows:

AMENDMENT OF ARTICLES OF INCORPORATION IN REORGANIZATION PROCEEDINGS

Whenever a plan of reorganization of a corporation has been confirmed by decree or order of a court of competent jurisdiction in proceedings for the reorganization of such corporation, pursuant to the provisions of any applicable statute of the United States relating to reorganizations of corporations, the articles of incorporation of the corporation may be amended, in the manner provided in this section, in as many respects as may be necessary to carry out the plan and put it into effect, so long as the articles of incorporation as amended contain only such provisions as might be lawfully contained in original articles of incorporation at the time of making such amendment.

In particular and without limitation upon such general power of amendment, the articles of incorporation may be amended for such purpose so as to:

(A) Change the corporate name, period of duration or corporate purposes of the corporation;

(B) Repeal, alter or amend the by-laws of the corporation;

(C) Change the aggregate number of shares or shares of any class, which the corporation has authority to issue;

(D) Change the preferences, limitations and relative rights in respect of all or any part of the shares of the corporation, and classify, reclassify or cancel all or any part thereof, whether issued or unissued;

(E) Authorize the issuance of bonds, debentures or other obligations of the corporation, whether or not convertible into shares of any class or bearing warrants or other evidences of optional rights to purchase or subscribe for shares of any class, and fix the terms and conditions thereof; and

(F) Constitute or reconstitute and classify or reclassify the board of directors of the corporation, and appoint directors and officers in place of or in addition to all or any of the directors or officers then in office.

Amendments to the articles of incorporation pursuant to this section shall be made in the following manner:

(a) Articles of amendment approved by decree or order of such court shall be executed and verified in triplicate by such person or persons as the court shall designate or appoint for the purpose, and shall set forth the name of the corporation, the amendments of the articles of incorporation approved by the court, the date of the decree or order approving the articles of amendment, the title of the proceedings in which the decree or order was entered, and a statement that such decree or order was entered by a court having jurisdiction of the proceedings for the reorganization of the corporation pursuant to the provisions of an applicable statute of the United States.

(b) Triplicate originals of the articles of amendment shall be delivered to the Secretary of State. If the Secretary of State finds that the articles of amendment conform to law, he shall, when all fees have been paid as in this Act prescribed:

(1) Endorse on each of such triplicate originals the word "Filed," and the month, day and year of the filing thereof.

(2) File one of such triplicate originals in his office.

(3) Issue a certificate of amendment to which he shall affix one other triplicate original.

The certificate of amendment, together with the two triplicate originals of the articles of amendment, shall be returned to the corporation or its representative. One of such triplicate originals shall then be filed with and recorded by the clerk of the county court in the county in which is situated the registered office of the corporation.

Upon the issuance of the certificate of amendment by the Secretary of State, the amendment shall become effective and the articles of incorporation shall be deemed to be amended accordingly, without any action thereon by the directors or shareholders of the corporation and with the same effect as if the amendments had been adopted by unanimous action of the directors and shareholders of the corporation.

Section 66. A new section of Kentucky Revised Statutes Chapter 271 is created to read as follows:

RESTRICTION ON REDEMPTION OR PURCHASE OF REDEEMABLE SHARES

No redemption or purchase of redeemable shares shall be made by a corporation when it is insolvent or when such redemption or purchase would render it insolvent, or which would reduce the net assets below the aggregate amount payable to the holders of shares having prior or equal rights to the assets of the corporation upon involuntary dissolution.

Section 67. A new section of Kentucky Revised Statutes Chapter 271 is created to read as follows:

CANCELLATION OF REDEEMABLE SHARES BY REDEMPTION OR PURCHASE

When redeemable shares of a corporation are redeemed or purchased by the corporation, the redemption or purchase shall effect a cancellation of such shares, and a statement of cancellation shall be filed as provided in this section. Thereupon such shares shall be restored to the status of authorized but unissued shares, unless the articles of incorporation provide that such shares when redeemed or purchased shall not be reissued, in which case the filing of the statement of cancellation shall constitute an amendment to the articles of incorporation and shall reduce the number of shares of the class so cancelled which the corporation is authorized to issue by the number of shares so cancelled.

The statement of cancellation shall be executed in triplicate by the corporation by its president or a vice president and by its secretary or an assistant secretary, and verified by one of the officers signing such statement, and shall set forth:

(a) The name of the corporation.

(b) The number of redeemable shares cancelled through redemption or purchase, itemized by classes and series.

(c) The aggregate number of issued shares, itemized by classes and series, after giving effect to such cancellation.

(d) The amount, expressed in dollars, of the stated capital of the corporation after giving effect so such cancellation.

(e) If the articles of incorporation provide that the cancelled shares shall not be reissued, the number of shares which the corporation will have authority to issue itemized by classes and series, after giving effect to such cancellation.

Triplicate originals of such statement shall be delivered to the Secretary of State. If the Secretary of State finds that such statement conforms to law, he shall, when all fees have been paid as in this Act prescribed:

(1) Endorse on each of such triplicate originals the word "Filed," and the month, day and year of the filing thereof.

(2) File one of such triplicate originals in his office.

(3) Return the other triplicate originals to the corporation or its representative. One of such triplicate originals shall then be filed with and recorded by the clerk of the county court in the county in which is situated the registered office of the corporation.

Upon the filing of such statement of cancellation, the stated capital of the corporation shall be deemed to be reduced by that part of the stated capital which was, at the time of such cancellation, represented by the shares so cancelled.

Nothing contained in this section shall be construed to forbid a cancellation of shares or a reduction of stated capital in any other manner permitted by this Act.

Section 68. A new section of Kentucky Revised Statutes Chapter 271 is created to read as follows:

CANCELLATION OF OTHER REACQUIRED SHARES

A corporation may at any time, by resolution of its board of directors, cancel all or any part of the shares of the corporation of any class reacquired by it, other than redeemable shares

redeemed or purchased, and in such event a statement of cancellation shall be filed as provided in this section.

The statement of cancellation shall be executed in triplicate by the corporation by its president or a vice president and by its secretary or an assistant secretary, and verified by one of the officers signing such statement, and shall set forth:

(a) The name of the corporation.

(b) The number of reacquired shares cancelled by resolution duly adopted by the board of directors, itemized by classes and series, and the date of its adoption.

(c) The aggregate number of issued shares, itemized by classes and series, after giving effect to such cancellation.

(d) The amount, expressed in dollars, of the stated capital of the corporation after giving effect to such cancellation.

Triplicate originals of such statement shall be delivered to the Secretary of State. If the Secretary of State finds that such statement conforms to law, he shall, when all fees have been paid as in this Act prescribed:

(1) Endorse on each of such triplicate originals the word "Filed," and the month, day and year of the filing thereof.

(2) File one of such triplicate originals in his office.

(3) Return the other triplicate originals to the corporation or its representative. One of such triplicate originals shall then be filed with and recorded by the clerk of the county court in the county in which is situated the registered office of the corporation.

Upon the filing of such statement of cancellation, the stated capital of the corporation shall be deemed to be reduced by that part of the stated capital which was, at the time of such cancellation, represented by the shares so cancelled, and the shares so cancelled shall be restored to the status of authorized but unissued shares.

Nothing contained in this section shall be construed to forbid a cancellation of shares or a reduction of stated capital in any other manner permitted by this Act.

Section 69. A new section of Kentucky Revised Statutes Chapter 271 is created to read as follows:

REDUCTION OF STATED CAPITAL
IN CERTAIN CASES

A reduction of the stated capital of a corporation, where such reduction is not accompanied by any action requiring an amendment of the articles of incorporation and not accompanied by a cancellation of shares, may be made in the following manner:

(A) The board of directors shall adopt a resolution setting forth the amount of the proposed reduction and the manner in which the reduction shall be effected, and directing that the question of such reduction be submitted to a vote at a meeting of shareholders, which may be either an annual or a special meeting.

(B) Written notice, stating that the purpose or one of the purposes of such meeting is to consider the question of reducing the stated capital of the corporation in the amount and manner proposed by the board of directors, shall be given to each shareholder of record entitled to vote thereon within the time and in the manner provided in this Act for the giving of notice of meetings of shareholders.

(C) At such meeting a vote of the shareholders entitled to vote thereon shall be taken on the question of approving the proposed reduction of stated capital, which shall require for its adoption the affirmative vote of the holders of a majority of the shares entitled to vote thereon.

When a reduction of the stated capital of a corporation has been approved as provided in this section, a statement shall be executed in triplicate by the corporation by its president or a vice president and by its secretary or an assistant secretary, and verified by one of the officers signing such statement, and shall set forth:

(a) The name of the corporation.

(b) A copy of the resolution of the shareholders approving such reduction, and the date of its adoption.

(c) The number of shares outstanding, and the number of shares entitled to vote thereon.

(d) The number of shares voted for and against such reduction, respectively.

(e) A statement of the manner in which such reduction is effected, and a statement, expressed in dollars, of the amount of stated capital of the corporation after giving effect to such reduction.

Triplicate originals of such statement shall be delivered to the Secretary of State. If the Secretary of State finds that such statement conforms to law, he shall, when all fees have been paid as in this Act prescribed:

(1) Endorse on each of such triplicate originals the word "Filed," and the month, day and year of the filing thereof.

(2) File one of such triplicate originals in his office.

(3) Return the other triplicate originals to the corporation or its representative. One of such triplicate originals shall then be filed with and recorded by the clerk of the county court in the county in which is situated the registered office of the corporation.

Upon the filing of such statement, the stated capital of the corporation shall be reduced as therein set forth.

No reduction of stated capital shall be made under the provisions of this section which would reduce the amount of the aggregate stated capital of the corporation to an amount equal to or less than the aggregate preferential amounts payable upon all issued shares having a preferential right in the assets of the corporation in the event of involuntary liquidation, plus the aggregate par value of all issued shares having a par value but no preferential right in the assets of the corporation in the event of involuntary liquidation.

Section 70. A new section of Kentucky Revised Statutes Chapter 271 is created to read as follows:

SPECIAL PROVISIONS RELATING TO SURPLUS AND RESERVES

The surplus, if any, created by or arising out of a reduction of the stated capital of a corporation shall be capital surplus.

The capital surplus of a corporation may be increased from

time to time by resolution of the board of directors directing that all or a part of the earned surplus of the corporation be transferred to capital surplus.

A corporation may, by resolution of its board of directors, apply any part or all of its capital surplus to the reduction or elimination of any deficit arising from losses, however incurred, but only after first eliminating the earned surplus, if any, of the corporation by applying such losses against earned surplus and only to the extent that such losses exceed the earned surplus, if any. Each such application of capital surplus shall, to the extent thereof, effect a reduction of capital surplus.

A corporation may, by resolution of its board of directors, create a reserve or reserves out of its earned surplus for any proper purpose or purposes, and may abolish any such reserve in the same manner. Earned surplus of the corporation to the extent so reserved shall not be available for the payment of dividends or other distributions by the corporation except as expressly permitted by this Act.

Section 71. A new section of Kentucky Revised Statutes Chapter 271 is created to read as follows:

PROCEDURE FOR MERGER

Any two or more domestic corporations may merge into one of such corporations pursuant to a plan of merger approved in the manner provided in this Act.

The board of directors of each corporation shall, by resolution adopted by each such board, approve a plan of merger setting forth:

(a) The names of the corporations proposing to merge, and the name of the corporation into which they propose to merge, which is hereinafter designated as the surviving corporation.

(b) The terms and conditions of the proposed merger.

(c) The manner and basis of converting the shares of each corporation into shares, obligations or other securities of the surviving corporation or of any other corporation or, in whole or in part, into cash or other property.

(d) A statement of any changes in the articles of incor-

poration of the surviving corporation to be effected by such merger.

(e) Such other provisions with respect to the proposed merger as are deemed necessary or desirable.

Section 72. A new section of Kentucky Revised Statutes Chapter 271 is created to read as follows:

PROCEDURE FOR CONSOLIDATION

Any two or more domestic corporations may consolidate into a new corporation pursuant to a plan of consolidation approved in the manner provided in this Act.

The board of directors of each corporation shall, by a resolution adopted by each such board, approve a plan of consolidation setting forth:

(a) The names of the corporations proposing to consolidate, and the name of the new corporation into which they propose to consolidate, which is hereinafter designated as the new corporation.

(b) The terms and conditions of the proposed consolidation.

(c) The manner and basis of converting the shares of each corporation into shares, obligations or other securities of the new corporation or of any other corporation or, in whole or in part, into cash or other property.

(d) With respect to the new corporation, all of the statements required to be set forth in articles of incorporation for corporations organized under this Act.

(e) Such other provisions with respect to the proposed consolidation as are deemed necessary or desirable.

Section 73. A new section of Kentucky Revised Statutes Chapter 271 is created to read as follows:

APPROVAL BY SHAREHOLDERS

The board of directors of each corporation, upon approving such plan of merger or plan of consolidation, shall, by resolution, direct that the plan be submitted to a vote at a meeting of shareholders, which may be either an annual or a special meeting. Written notice shall be given to each shareholder of record, whether or not entitled to vote at such meeting, not less than

twenty days before such meeting, in the manner provided in this Act for the giving of notice of meetings of shareholders, and, whether the meeting be an annual or a special meeting, shall state that the purpose or one of the purposes is to consider the proposed plan of merger or consolidation. A copy or a summary of the plan of merger or plan of consolidation, as the case may be, shall be included in or enclosed with such notice.

At each such meeting, a vote of the shareholders shall be taken on the proposed plan of merger or consolidation. The plan of merger or consolidation shall be approved upon receiving the affirmative vote of the holders of a majority of the shares entitled to vote thereon of each such corporation, unless any class of shares of any such corporation is entitled to vote thereon as a class, in which event, as to such corporation, the plan of merger, or consolidation shall be approved upon receiving the affirmative vote of the holders of a majority of the shares of each class of shares entitled to vote thereon as a class and of the total shares entitled to vote thereon. Any class of shares of any such corporation shall be entitled to vote as a class if the plan of merger or consolidation, as the case may be, contains any provision which, if contained in a proposed amendment to articles of incorporation, would entitle such class of shares to vote as a class.

After such approval by a vote of the shareholders of each corporation, and at any time prior to the filing of the articles of merger or consolidation, the merger or consolidation may be abandoned pursuant to provisions therefor, if any, set forth in the plan of merger or consolidation.

Section 74. A new section of Kentucky Revised Statutes Chapter 271 is created to read as follows:

ARTICLES OF MERGER OR CONSOLIDATION

Upon such approval, articles of merger or articles of consolidation shall be executed in duplicate by each corporation by its president or a vice president and by its secretary or an assistant secretary, and verified by one of the officers of each corporation signing such articles, and shall set forth:

(a) The plan of merger or the plan of consolidation.

(b) As to each corporation, the number of shares outstanding, and, if the shares of any class are entitled to vote as a class,

the designation and number of outstanding shares of each such class.

(c) As to each corporation, the number of shares voted for and against such plan, respectively, and, if the shares of any class are entitled to vote as a class, the number of shares of each such class voted for and against such plan, respectively.

Triplicate originals of the articles of merger or articles of consolidation shall be delivered to the Secretary of State. If the Secretary of State finds that such articles conform to law, he shall, when all fees have been paid as in this Act prescribed:

(1) Endorse on each of such triplicate originals the word "Filed," and the month, day and year of the filing thereof.

(2) File one of such triplicate originals in his office.

(3) Issue a certificate of merger or a certificate of consolidation to which he shall affix one other triplicate original.

The certificate of merger or certificate of consolidation, together with the two triplicate originals of the articles of merger or articles of consolidation, shall be returned to the surviving or new corporation, as the case may be, or its representative. One of such triplicate originals shall then be filed with and recorded by the clerk of the county court in the county in which is situated the registered office of the corporation.

Section 75. A new section of Kentucky Revised Statutes Chapter 271 is created to read as follows:

MERGER OF SUBSIDIARY CORPORATION

Any corporation owning at least ninety per cent of the outstanding shares of each class of another corporation may merge such other corporation into itself without approval by a vote of the shareholders of either corporation. Its board of directors shall, by resolution, approve a plan of merger setting forth:

(A) The name of the subsidiary corporation and the name of the corporation owning at least ninety per cent of its shares, which is hereinafter designated as the surviving corporation.

(B) The manner and basis of converting the shares of the subsidiary corporation into shares, obligations or other securities

of the surviving corporation or of any other corporation or, in whole or in part, into cash or other property.

A copy of such plan of merger shall be mailed to each shareholder of record of the subsidiary corporation.

Articles of merger shall be executed in triplicate by the surviving corporation by its president or a vice president and by its secretary or an assistant secretary, and verified by one of its officers signing such articles, and shall set forth:

(a) The plan of merger;

(b) The number of outstanding shares of each class of the subsidiary corporation and the number of such shares of each class owned by the surviving corporation; and

(c) The date of the mailing to shareholders of the subsidiary corporation of a copy of the plan of merger.

On and after the thirtieth day after the mailing of a copy of the plan of merger to shareholders of the subsidiary corporation or upon the waiver thereof by the holders of all outstanding shares triplicate originals of the articles of merger shall be delivered to the Secretary of State. If the Secretary of State finds that such articles conform to law, he shall, when all fees have been paid as in this Act prescribed:

(1) Endorse on each of such triplicate originals the word "Filed," and the month, day and year of the filing thereof,

(2) File one of such triplicate originals in his office, and

(3) Issue a certificate of merger to which he shall affix one other triplicate original.

The certificate of merger, together with the two triplicate originals of the articles of merger shall be returned to the surviving corporation or its representative. One of such triplicate originals shall then be filed with and recorded by the clerk of the county court in the county in which is situated the registered office of the corporation.

Section 76. A new section of Kentucky Revised Statutes Chapter 271 is created to read as follows:

EFFECT OF MERGER OR CONSOLIDATION

Upon the issuance of the certificate of merger or the certificate of consolidation by the Secretary of State, the merger or consolidation shall be effected.

When such merger or consolidation has been effected:

(a) The several corporations parties to the plan of merger or consolidation shall be a single corporation, which, in the case of a merger, shall be that corporation designated in the plan of merger as the surviving corporation, and, in the case of a consolidation, shall be the new corporation provided for in the plan of consolidation.

(b) The separate existence of all corporations parties to the plan of merger or consolidation, except the surviving or new corporation, shall cease.

(c) Such surviving or new corporation shall have all the rights, privileges, immunities and powers and shall be subject to all the duties and liabilities of a corporation organized under this Act.

(d) Such surviving or new corporation shall thereupon and thereafter possess all the rights, privileges, immunities, and franchises, of a public as well as of a private nature, of each of the merging or consolidating corporations; and all property, real, personal and mixed, and all debts due on whatever account, including subscriptions to shares, and all other choses in action, and all and every other interest of or belonging to or due to each of the corporations so merged or consolidated, shall be taken and deemed to be transferred to and vested in such single corporation without further act or deed; and the title to any real estate, or any interest therein, vested in any of such corporations shall not revert or be in any way impaired by reason of such merger or consolidation.

(e) Such surviving or new corporation shall thenceforth be responsible and liable for all the liabilities and obligations of each of the corporations so merged or consolidated; and any claim existing or action or proceeding pending by or against any of such corporations may be prosecuted as if such merger or consolidation had not taken place, or such surviving or new corporation may be substituted in its place. Neither the rights of

creditors nor any liens upon the property of any such corporation shall be impaired by such merger or consolidation.

(f) In the case of a merger, the articles of incorporation of the surviving corporation shall be deemed to be amended to the extent, if any, that changes in its articles of incorporation are stated in the plan of merger; and, in the case of a consolidation, the statements set forth in the articles of consolidation and which are required or permitted to be set forth in the articles of incorporation of corporations organized under this Act shall be deemed to be the original articles of incorporation of the new corporation.

Section 77. A new section of Kentucky Revised Statutes Chapter 271 is created to read as follows:

MERGER OR CONSOLIDATION OF DOMESTIC AND FOREIGN CORPORATIONS

One or more foreign corporations and one or more domestic corporations may be merged or consolidated in the following manner, if such merger or consolidation is permitted by the laws of the state under which each such foreign corporation is organized:

(a) Each domestic corporation shall comply with the provisions of this Act with respect to the merger or consolidation, as the case may be, of domestic corporations and each foreign corporation shall comply with the applicable provisions of the laws of the state under which it is organized.

(b) If the surviving or new corporation, as the case may be, is to be governed by the laws of any state other than this State, it shall comply with the provisions of this Act with respect to foreign corporations if it is to transact business in this State, and in every case it shall file with the Secretary of State of this State:

(1) An agreement that it may be served with process in this State in any proceeding for the enforcement of any obligation of any domestic corporation which is a party to such merger or consolidation and in any proceeding for the enforcement of the rights of a dissenting shareholder of any such domestic corporation against the surviving or new corporation;

(2) An irrevocable appointment of the Secretary of State

of this State as its agent to accept service of process in any such proceeding;

(3) An agreement that it will promptly pay to the dissenting shareholders of any such domestic corporation the amount, if any, to which they shall be entitled under the provisions of this Act with respect to the rights of dissenting shareholders; and

(4) An agreement that the courts of this State shall retain jurisdiction over that part of the corporate property within the limits of this State in all matters which may arise as if said merger or consolidation had not taken place.

The effect of such merger or consolidation shall be the same as in the case of the merger or consolidation of domestic corporations, if the surviving or new corporation is to be governed by the laws of this State. If the surviving or new corporation is to be governed by the laws of any state other than this State, the effect of such merger or consolidation shall be the same as in the case of the merger or consolidation of domestic corporations except insofar as the laws of such other state provide otherwise.

At any time prior to the filing of the articles of merger or consolidation, the merger or consolidation may be abandoned pursuant to provisions therefor, if any, set forth in the plan of merger or consolidation.

Section 78. A new section of Kentucky Revised Statutes Chapter 271 is created to read as follows:

SALE OF ASSETS IN REGULAR COURSE OF BUSINESS AND MORTGAGE OR PLEDGE OF ASSETS

The sale, lease, exchange, or other disposition of all, or substantially all, the property and assets of a corporation in the usual and regular course of its business and the mortgage or pledge of any or all property and assets of a corporation whether or not in the usual and regular course of business may be made upon such terms and conditions and for such consideration, which may consist in whole or in part of cash or other property, including shares, obligations or other securities of any other

corporation, domestic or foreign, as shall be authorized by its board of directors; and in any such case no authorization or consent of the shareholders shall be required.

Section 79. A new section of Kentucky Revised Statutes Chapter 271 is created to read as follows:

SALE OF ASSETS OTHER THAN IN REGULAR COURSE OF BUSINESS

A sale, lease, exchange, or other disposition of all, or substantially all, the property and assets, with or without the good will, of a corporation, if not in the usual and regular course of its business, may be made upon such terms and conditions and for such consideration, which may consist in whole or in part of cash or other property, including shares, obligations or other securities of any other corporation, domestic or foreign, as may be authorized in the following manner:

(a) The board of directors shall adopt a resolution recommending such sale, lease, exchange, or other disposition and directing the submission thereof to a vote at a meeting of shareholders, which may be either an annual or a special meeting.

(b) Written notice shall be given to each shareholder of record, whether or not entitled to vote at such meeting, not less than twenty days before such meeting, in the manner provided in this Act for the giving of notice of meetings of shareholders, and, whether the meeting be an annual or a special meeting, shall state that the purpose, or one of the purposes is to consider the proposed sale, lease, exchange, or other disposition.

(c) At such meeting the shareholders may authorize such sale, lease, exchange, or other disposition and may fix, or may authorize the board of directors to fix, any or all of the terms and conditions thereof and the consideration to be received by the corporation therefor. Such authorization shall require the affirmative vote of the holders of a majority of the shares of the corporation entitled to vote thereon, unless any class of shares is entitled to vote thereon as a class, in which event such authorization shall require the affirmative vote of the holders of a majority of the shares of each class of shares entitled to vote as a class thereon and of the total shares entitled to vote thereon.

(d) After such authorization by a vote of shareholders,

the board of directors nevertheless, in its discretion, may abandon such sale, lease, exchange, or other disposition of assets, subject to the rights of third parties under any contracts relating thereto, without further action or approval by shareholders.

Section 80. A new section of Kentucky Revised Statutes Chapter 271 is created to read as follows:

RIGHT OF SHAREHOLDERS TO DISSENT

Any shareholder of a corporation shall have the right to dissent from any of the following corporate actions:

(a) Any plan of merger or consolidation to which the corporation is a party; or

(b) Any sale or exchange of all or substantially all of the property and assets of the corporation not made in the usual and regular course of its business, including a sale in dissolution, but not including a sale pursuant to an order of a court having jurisdiction in the premises or a sale for cash on terms requiring that all or substantially all of the net proceeds of sale be distributed to the shareholders in accordance with their respective interests within one year after the date of sale.

A shareholder may dissent as to less than all of the shares registered in his name. In that event, his rights shall be determined as if the shares as to which he has dissented and his other shares were registered in the names of different shareholders.

This section shall not apply to the shareholders of the surviving corporation in a merger if a vote of the shareholders of such corporation is not necessary to authorize such merger. Nor shall it apply to the holders of shares of any class or series if the shares of such class or series were registered on a national securities exchange on the date fixed to determine the shareholders entitled to vote at the meeting of shareholders at which a plan of merger or consolidation or a proposed sale or exchange of property and assets is to be acted upon unless the articles of incorporation of the corporation shall otherwise provide.

Section 81. A new section of Kentucky Revised Statutes Chapter 271 is created to read as follows:

RIGHTS OF DISSENTING SHAREHOLDERS

Any shareholder electing to exercise such right of dissent shall file with the corporation, prior to or at the meeting of shareholders at which such proposed corporate action is submitted to a vote, a written objection to such proposed corporate action. If such proposed corporate action be approved by the required vote and such shareholder shall not have voted in favor thereof, such shareholder may, within ten days after the date on which the vote was taken or if a corporation is to be merged without a vote of its shareholders into another corporation, any of its shareholders may, within fifteen days after the plan of such merger shall have been mailed to such shareholders, make written demand on the corporation, or, in the case of a merger or consolidation, on the surviving or new corporation, domestic or foreign, for payment of the fair value of such shareholder's shares, and, if such proposed corporate action is effected, such corporation shall pay to such shareholder, upon surrender of the certificate or certificates representing such shares, the fair value thereof as of the day prior to the date on which the vote was taken approving the proposed corporate action, excluding any appreciation or depreciation in anticipation of such corporate action. Any shareholder failing to make demand within the ten-day period shall be bound by the terms of the proposed corporate action. Any shareholder making such demand shall thereafter be entitled only to payment as in this section provided and shall not be entitled to vote or to exercise any other rights of a shareholder.

No such demand may be withdrawn unless the corporation shall consent thereto. If, however, such demand shall be withdrawn upon consent, or if the proposed corporate action shall be abandoned or rescinded or the shareholders shall revoke the authority to effect such action, or if, in the case of a merger, on the date of the filing of the articles of merger the surviving corporation is the owner of all the outstanding shares of the other corporations, domestic and foreign, that are parties to the merger, or if no demand or petition for the determination of fair value by a court shall have been made or filed within the time provided in this section, or if a court of competent jurisdiction shall determine that such shareholder is not entitled to the relief provided by this section, then the right of such shareholder to be paid the fair value of his shares shall cease and his status as a

shareholder shall be restored, without prejudice to any corporate proceedings which may have been taken during the interim.

Within ten days after such corporate action is effected, the corporation, or, in the case of a merger or consolidation, the surviving or new corporation, domestic or foreign, shall give written notice thereof to each dissenting shareholder who has made demand as herein provided, and shall make a written offer to each such shareholder to pay for such shares at a specified price deemed by such corporation to be the fair value thereof. Such notice and offer shall be accompanied by a balance sheet of the corporation the shares of which the dissenting shareholder holds, as of the latest available date and not more than twelve months prior to the making of such offer, and a profit and loss statement of such corporation for the twelve months' period ended on the date of such balance sheet.

If within thirty days after the date on which such corporate action was effected the fair value of such shares is agreed upon between any such dissenting shareholder and the corporation, payment therefor shall be made within ninety days after the date on which such corporate action was effected, upon surrender of the certificate or certificates representing such shares. Upon payment of the agreed value the dissenting shareholder shall cease to have any interest in such shares.

If within such period of thirty days a dissenting shareholder and the corporation do not so agree, then the corporation, within thirty days after receipt of written demand from any dissenting shareholder given within sixty days after the date on which such corporate action was effected, shall, or at its election at any time within such period of sixty days may, file a petition in any court of competent jurisdiction in the county in this State where the registered office of the corporation is located requesting that the fair value of such shares be found and determined. If, in the case of a merger or consolidation, the surviving or new corporation is a foreign corporation without a registered office in this State, such petition shall be filed in the county where the registered office of the domestic corporation was last located. If the corporation shall fail to institute the proceeding as herein provided, any dissenting shareholder may do so in the name of the corporation. All dissenting shareholders, wherever residing, shall be

made parties to the proceeding as an action against their shares quasi in rem. A copy of the petition shall be served on each dissenting shareholder who is a resident of this State and shall be served by registered or certified mail on each dissenting shareholder who is a nonresident. Service on nonresidents shall also be made by publication as provided by law. The jurisdiction of the court shall be plenary and exclusive. All shareholders who are parties to the proceeding shall be entitled to judgment against the corporation for the amount of the fair value of their shares. The court may, if it so elects, appoint one or more persons as appraisers to receive evidence and recommend a decision on the question of fair value. The appraisers shall have such power and authority as shall be specified in the order of their appointment or an amendment thereof. The judgment shall be payable only upon and concurrently with the surrender to the corporation of the certificate or certificates representing such shares. Upon payment of the judgment, the dissenting shareholder shall cease to have any interest in such shares.

The judgment shall include an allowance for interest at such rate as the court may find to be fair and equitable in all the circumstances, from the date on which the vote was taken on the proposed corporate action to the date of payment.

The costs and expenses of any such proceeding shall be determined by the court and shall be assessed against the corporation, but all or any part of such costs and expenses may be apportioned and assessed as the court may deem equitable against any or all of the dissenting shareholders who are parties to the proceeding to whom the corporation shall have made an offer to pay for the shares if the court shall find that the action of such shareholders in failing to accept such offer was arbitrary or vexatious or not in good faith. Such expenses shall include reasonable compensation for and reasonable expenses of the appraisers, but shall exclude the fees and expenses of counsel for and experts employed by any party; but if the fair value of the shares as determined materially exceeds the amount which the corporation offered to pay therefor, or if no offer was made, the court in its discretion may award to any shareholder who is a party to the proceeding such sum as the court may determine to be reasonable compensation to any expert or experts employed by the shareholder in the proceeding.

Within twenty days after demanding payment for his shares, each shareholder demanding payment shall submit the certificate or certificates representing his shares to the corporation for notation thereon that such demand has been made. His failure to do so shall, at the option of the corporation, terminate his rights under this section unless a court of competent jurisdiction, for good and sufficient cause shown, shall otherwise direct. If shares represented by a certificate on which notation has been so made shall be transferred, each new certificate issued therefor shall bear similar notation, together with the name of the original dissenting holder of such shares, and a transferee of such shares shall acquire by such transfer no rights in the corporation other than those which the original dissenting shareholder had after making demand for payment of the fair value thereof.

Shares acquired by a corporation pursuant to payment of the agreed value therefor or to payment of the judgment entered therefor, as in this section provided, may be held and disposed of by such corporation as in the case of other treasury shares, except that, in the case of a merger or consolidation, they may be held and disposed of as the plan of merger or consolidation may otherwise provide.

Section 82. A new section of Kentucky Revised Statutes Chapter 271 is created to read as follows:

VOLUNTARY DISSOLUTION BY INCORPORATORS

A corporation which has not commenced business and which has not issued any shares, may be voluntarily dissolved by its incorporators at any time in the following manner:

(a) Articles of dissolution shall be executed in triplicate by a majority of the incorporators, and verified by them, and shall set forth:

(1) The name of the corporation.

(2) The date of issuance of its certificate of incorporation.

(3) That none of its shares has been issued.

(4) That the corporation has not commenced business.

(5) That the amount, if any, actually paid in on subscriptions for its shares, less any part thereof disbursed for necessary expenses, has been returned to those entitled thereto.

(6) That no debts of the corporation remain unpaid.

(7) That a majority of the incorporators elect that the corporation be dissolved.

(b) Triplicate originals of the articles of dissolution shall be delivered to the Secretary of State. If the Secretary of State finds that the articles of dissolution conform to law, he shall, when all fees have been paid as in this Act prescribed:

(1) Endorse on each of such triplicate originals the word "Filed," and the month, day and year of the filing thereof.

(2) File one of such triplicate originals in his office.

(3) Issue a certificate of dissolution to which he shall affix one other triplicate original.

The certificate of dissolution, together with the two triplicate originals of the articles of dissolution, shall be returned to the incorporators or their representative. One of such triplicate originals shall then be filed with and recorded by the clerk of the county court in the county in which is situated the registered office of the corporation. Upon the issuance of such certificate of dissolution by the Secretary of State, the existence of the corporation shall cease.

Section 83. A new section of Kentucky Revised Statutes Chapter 271 is created to read as follows:

VOLUNTARY DISSOLUTION BY
CONSENT OF SHAREHOLDERS

A corporation may be voluntarily dissolved by the written consent of all of its shareholders.

Upon the execution of such written consent, a statement of intent to dissolve shall be executed in triplicate by the corporation by its president or a vice president and by its secretary or an assistant secretary, and verified by one of the officers signing such statement, which statement shall set forth:

(a) The name of the corporation.

(b) The names and respective addresses of its officers.

(c) The names and respective addresses of its directors.

(d) A copy of the written consent signed by all shareholders of the corporation.

(e) A statement that such written consent has been signed by all shareholders of the corporation or signed in their names by their attorneys thereunto duly authorized.

Section 84. A new section of Kentucky Revised Statutes Chapter 271 is created to read as follows:

VOLUNTARY DISSOLUTION BY ACT OF CORPORATION

A corporation may be dissolved by the act of the corporation, when authorized in the following manner:

(a) The board of directors shall adopt a resolution recommending that the corporation be dissolved, and directing that the question of such dissolution be submitted to a vote at a meeting of shareholders, which may be either an annual or a special meeting.

(b) Written notice shall be given to each shareholder of record entitled to vote at such meeting within the time and in the manner provided in this Act for the giving of notice of meetings of shareholders, and, whether the meeting be an annual or special meeting, shall state that the purpose, or one of the purposes, of such meeting is to consider the advisability of dissolving the corporation.

(c) At such meeting a vote of shareholders entitled to vote thereat shall be taken on a resolution to dissolve the corporation. Such resolution shall be adopted upon receiving the affirmative vote of the holders of a majority of the shares of the corporation entitled to vote thereon, unless any class of shares is entitled to vote thereon as a class, in which event the resolution shall be adopted upon receiving the affirmative vote of the holders of a majority of the shares of each class of shares entitled to vote thereon as a class and of the total shares entitled to vote thereon.

(d) Upon the adoption of such resolution, a statement of intent to dissolve shall be executed in triplicate by the corporation by its president or a vice president and by its secretary or an assistant secretary, and verified by one of the officers signing such statement, which statement shall set forth:

(1) The name of the corporation.

(2) The names and respective addresses of its officers.

(3) The names and respective addresses of its directors.

(4) A copy of the resolution adopted by the shareholders authorizing the dissolution of the corporation.

(5) The number of shares outstanding, and, if the shares of any class are entitled to vote as a class, the designation and number of outstanding shares of each such class.

(6) The number of shares voted for and against the resolution, respectively, and, if the shares of any class are entitled to vote as a class, the number of shares of each such class voted for and against the resolution, respectively.

Section 85. A new section of Kentucky Revised Statutes Chapter 271 is created to read as follows:

FILING OF STATEMENT OF INTENT TO DISSOLVE

Triplicate originals of the statement of intent to dissolve, whether by consent of shareholders or by act of the corporation, shall be delivered to the Secretary of State. If the Secretary of State finds that such statement conforms to law, he shall, when all taxes, fees and charges have been paid as prescribed by law:

(a) Endorse on each of such triplicate originals the word "Filed," and the month, day and year of the filing thereof.

(d) Record the statement in his office.

(c) Immediately forward one of the originals to the Commissioner of Revenue.

(d) Return the other triplicate originals to the corporation or its representative. One of such triplicate originals shall then be filed with and recorded by the clerk of the county court in the county in which is situated the registered office of the corporation.

Section 86. A new section of Kentucky Revised Statutes Chapter 271 is created to read as follows:

EFFECT OF STATEMENT OF INTENT TO DISSOLVE

Upon the filing by the Secretary of State of a statement of intent to dissolve, whether by consent of shareholders or by act

of the corporation, the corporation shall cease to carry on its business, except insofar as may be necessary for the winding up thereof, but its corporate existence shall continue until a certificate of dissolution has been issued by the Secretary of State or until a decree dissolving the corporation has been entered by a court of competent jurisdiction as in this Act provided.

Section 87. A new section of Kentucky Revised Statutes Chapter 271 is created to read as follows:

PROCEDURE AFTER FILING OF STATEMENT OF INTENT TO DISSOLVE

After the filing by the Secretary of State of a statement of intent to dissolve:

(a) The corporation shall immediately cause notice thereof to be mailed to each known creditor of the corporation.

(b) The corporation shall proceed to collect its assets, convey and dispose of such of its properties as are not to be distributed in kind to its shareholders, pay, satisfy and discharge its liabilities and obligations and do all other acts required to liquidate its business and affairs, and, after paying or adequately providing for the payment of all its obligations, distribute the remainder of its assets, either in cash or in kind, among its shareholders according to their respective rights and interests.

(c) The corporation, at any time during the liquidation of its business and affairs, may make application to a court of competent jurisdiction within the state and judicial subdivision in which the registered office or principal place of business of the corporation is situated, to have the liquidation continued under the supervision of the court as provided in this Act.

Section 88. A new section of Kentucky Revised Statutes Chapter 271 is created to read as follows:

REVOCATION OF VOLUNTARY DISSOLUTION PROCEEDINGS BY CONSENT OF SHAREHOLDERS

By the written consent of all of its shareholders, a corporation may, at any time prior to the issuance of a certificate of dissolution by the Secretary of State, revoke voluntary dissolution proceedings theretofore taken, in the following manner:

Upon the execution of such written consent, a statement of revocation of voluntary dissolution proceedings shall be executed in triplicate by the corporation by its president or a vice president and by its secretary or an assistant secretary, and verified by one of the officers signing such statement, which statement shall set forth:

(a) The name of the corporation.

(b) The names and respective addresses of its officers.

(c) The names and respective addresses of its directors.

(d) A copy of the written consent signed by all shareholders of the corporation revoking such voluntary dissolution proceedings.

(e) That such written consent has been signed by all shareholders of the corporation or signed in their names by their attorneys thereunto duly authorized.

Section 89. A new section of Kentucky Revised Statutes Chapter 271 is created to read as follows:

REVOCATION OF VOLUNTARY DISSOLUTION PROCEEDINGS BY ACT OF CORPORATION

By the act of the corporation, a corporation may, at any time prior to the issuance of a certificate of dissolution by the Secretary of State, revoke voluntary dissolution proceedings theretofore taken, in the following manner:

(a) The board of directors shall adopt a resolution recommending that the voluntary dissolution porceedings be revoked, and directing that the question of such revocation be submitted to a vote at a special meeting of shareholders.

(b) Written notice, stating that the purpose or one of the purposes of such meeting is to consider the advisability of revoking the voluntary dissolution proceedings, shall be given to each shareholder of record entitled to vote at such meeting within the time and in the manner provided in this Act for the giving of notice of special meetings of shareholders.

(c) At such meeting a vote of the shareholders entitled to vote thereat shall be taken on a resolution to revoke the voluntary dissolution proceedings, which shall require for its adop-

tion the affirmative vote of the holders of a majority of the shares entitled to vote thereon.

(d) Upon the adoption of such resolution, a statement of revocation of voluntary dissolution proceedings shall be executed in triplicate by the corporation by its president or a vice president and by its secretary or an assistant secretary, and verified by one of the officers signing such statement, which statement shall set forth:

(1) The name of the corporation.

(2) The names and respective addresses of its officers.

(3) The names and respective addresses of its directors.

(4) A copy of the resolution adopted by the shareholders revoking the voluntary dissolution proceedings.

(5) The number of shares outstanding.

(6) The number of shares voted for and against the resolution, respectively.

Section 90. A new section of Kentucky Revised Statutes Chapter 271 is created to read as follows:

FILING OF STATEMENT OF REVOCATION OF VOLUNTARY DISSOLUTION PROCEEDINGS

Triplicate originals of the statement of revocation of voluntary dissolution proceedings, whether by consent of shareholders or by act of the corporation, shall be delivered to the Secretary of State. If the Secretary of State finds that such statement conforms to law, he shall, when all fees have been paid as in this Act prescribed:

(a) Endorse on each of such triplicate originals the word "Filed," and the month, day and year of the filing thereof.

(b) Record the statement in his office.

(c) Forward one of the originals to the Commissioner of Revenue.

(d) Return the other triplicate originals to the corporation or its representative. One of such triplicate originals shall then be filed with and recorded by the clerk of the county court in the county in which is situated the registered office of the corporation.

Section 91. A new section of Kentucky Revised Statutes Chapter 271 is created to read as follows:

EFFECT OF STATEMENT OF REVOCATION OF VOLUNTARY DISSOLUTION PROCEEDINGS

Upon the filing by the Secretary of State of a statement of revocation of voluntary dissolution proceedings, whether by consent of shareholders or by act of the corporation, the revocation of the voluntary dissolution proceedings shall become effective and the corporation may again carry on its business.

Section 92. A new section of Kentucky Revised Statutes Chapter 271 is created to read as follows:

ARTICLES OF DISSOLUTION

If voluntary dissolution proceedings have not been revoked, then when all debts, liabilities and obligations of the corporation have been paid and discharged, or adequate provision has been made therefor, and all of the remaining property and assets of the corporation have been distributed to its shareholders, articles of dissolution shall be executed in triplicate by the corporation by its president or a vice president and by its secretary or an assistant secretary, and verified by one of the officers signing such statement, which statement shall set forth:

(a) The name of the corporation.

(b) That the corporation has theretofore filed with the Secretary of State a statement of intent to dissolve the corporation, and the date on which such statement was filed.

(c) That all debts, obligations and liabilities of the corporation have been paid and discharged or that adequate provision has been made therefor.

(d) That all the remaining property and assets of the corporation have been distributed among its shareholders in accordance with their respective rights and interests.

(e) That there are no suits pending against the corporation in any court, or that adequate provision has been made for the satisfaction of any judgment, order or decree which may be entered against it in any pending suit,

Section 93. A new section of Kentucky Revised Statutes Chapter 271 is created to read as follows:

FILING OF ARTICLES OF DISSOLUTION

Triplicate originals of such articles of dissolution shall be delivered to the Secretary of State. He shall take no action with regard thereto until he has received from the Commissioner of Revenue a certificate certifying that all tax liability of the corporation to the state and its political subdivisions has been satisfied in full, and approving the dissolution of the corporation, such approval being conditioned solely upon the status of the tax liability of the corporation. However, if after thirty days have elapsed since the statement of intent to dissolve was forwarded to the Commissioner of Revenue as provided in Section 85 of this Act, no notice that taxes are due has been filed with the Secretary of State by the Commissioner of Revenue, the Secretary of State shall proceed as if approval had been given, but if it is later determined that the corporation is indebted for taxes to the state or any of its political subdivisions, this provision shall not relieve any such liability. When approval of the Commissioner of Revenue has been given or deemed to have been given as above provided, and when the fees due the Secretary of State have been paid, the Secretary of State shall, if he finds that the articles of dissolution conform to law,

(a) Endorse on each of such triplicate originals the word "Filed," and the month, day and year of the filing thereof.

(b) File one of such triplicate originals in his office.

(c) Issue a certificate of dissolution to which he shall affix one of the other triplicate originals.

The certificate of dissolution, together with the two triplicate originals of the articles of dissolution, shall be returned to the representative of the dissolved corporation. One of such triplicate originals shall then be filed with and recorded by the clerk of the county court in the county in which is situated the registered office of the corporation. Upon the issuance of such certificate of dissolution the existence of the corporation shall cease, except for the purpose of suits, other proceedings and appropriate corporate action by shareholders, directors and officers as provided in this Act.

Section 94. A new section of Kentucky Revised Statutes Chapter 271 is created to read as follows:

INVOLUNTARY DISSOLUTION

A corporation may be dissolved involuntarily by a decree of the circuit court in an action filed by the Attorney General when it is established that:

(a) The corporation has failed to file its annual report within the time required by this Act; or

(b) The corporation procured its articles of incorporation through fraud; or

(c) The corporation has continued to exceed, abuse or misuse the powers, privileges or franchises conferred upon it by law, or has become detrimental to the interest of the Commonwealth or its citizens; or

(d) The corporation has failed for thirty days to appoint and maintain a registered agent in this State; or

(e) The corporation has failed for thirty days after change of its registered office or registered agent to file in the office of the Secretary of State a statement of such change.

Section 95. A new section of Kentucky Revised Statutes Chapter 271 is created to read as follows:

NOTIFICATION TO ATTORNEY GENERAL

The Secretary of State, on or before the last day of December of each year, shall certify to the Attorney General the names of all corporations which have failed to file their annual reports in accordance with the provisions of this Act, together with the facts pertinent thereto. He shall also certify, from time to time, the names of all corporations which have given other cause for dissolution as provided in this Act, together with the facts pertinent thereto. Whenever the Secretary of State shall certify the name of a corporation to the Attorney General as having given any cause for dissolution, the Secretary of State shall concurrently mail to the corporation at its registered office a notice that such certification has been made. Upon the receipt of such certification, the Attorney General shall file an action in the name of the State against such corporation for its dissolution. Every such certificate from the Secretary of State to the Attorney General pertaining to the failure of a corporation to file an annual report

shall be taken and received in all courts as prima facie evidence of the facts therein stated. If, before action is filed, the corporation shall file its annual report, together with all penalties thereon, or shall appoint or maintain a registered agent as provided in this Act, or shall file with the Secretary of State the required statement of change of registered office or registered agent, such fact shall be forthwith certified by the Secretary of State to the Attorney General and he shall not file an action against such corporation for such cause. If, after action is filed, the corporation shall file its annual report, together with all penalties thereon, or shall appoint or maintain a registered agent as provided in this Act, or shall file with the Secretary of State the required statement of change of registered office or registered agent, and shall pay the costs of such action, the action for such cause shall abate.

Section 96. A new section of Kentucky Revised Statutes Chapter 271 is created to read as follows:

VENUE AND PROCESS

Every action for the involuntary dissolution of a corporation shall be commenced by the Attorney General either in the circuit court of the county in which the registered office of the corporation is situated, or in the circuit court of Franklin County. Summons shall issue and be served as in other civil actions. If process is returned not found, the Attorney General shall cause publication to be made as in other civil cases in some newspaper published in the county where the registered office of the corporation is situated, containing a notice of the pendency of such action, the title of the court, the title of the action, and the date on or after which default may be entered. The Attorney General may include in one notice the names of any number of corporations against which actions are then pending in the same court. The Attorney General shall cause a copy of such notice to be mailed to the corporation at its registered office within ten days after the first publication thereof. The certificate of the Attorney General of the mailing of such notice shall be prima facie evidence thereof. Such notice shall be published at least once each week for two successive weeks, and the first publication thereof may begin at any time after the summons has been returned. Unless a corporation shall have been served with summons, no default shall be taken against it earlier than thirty days after the first publication of such notice.

Section 97. A new section of Kentucky Revised Statutes Chapter 271 is created to read as follows:

JURISDICTION OF COURT TO LIQUIDATE ASSETS AND BUSINESS OF CORPORATION.

The circuit courts shall have full power to liquidate the assets and business of a corporation:

(a) In an action by a shareholder when it is established:

(1) That the directors are deadlocked in the management of the corporate affairs and the shareholders are unable to break the deadlock, and that irreparable injury to the corporation is being suffered or is threatened by reason thereof; or

(2) That the acts of the directors or those in control of the corporation are illegal, oppressive or fraudulent; or

(3) That the shareholders are deadlocked in voting power, and have failed, for a period which includes at least two consecutive annual meeting dates, to elect successors to directors whose terms have expired or would have expired upon the election of their successors; or

(4) That the corporate assets are being misapplied or wasted.

(b) In an action by a creditor:

(1) When the claim of the creditor has been reduced to judgment and an execution thereon returned unsatisfied and it is established that the corporation is insolvent; or (2) When the corporation has admitted in writing that the claim of the creditor is due and owing and it is established that the corporation is insolvent.

(c) Upon application by a corporation which has filed a statement of intent to dissolve, as provided in this Act, to have its liquidation continued under the supervision of the court.

(d) When an action has been filed by the Attorney General to dissolve a corporation and it is established that liquidation of its business and affairs should precede the entry of a decree of dissolution.

Proceedings under clause (a), (b) or (c) of this section shall be brought in the county in which the registered office or the principal office of the corporation is situated.

It shall not be necessary to make shareholders parties to any such action or proceeding unless relief is sought against them personally.

Section 98. A new section of Kentucky Revised Statutes Chapter 271 is created to read as follows:

PROCEDURE IN LIQUIDATION OF CORPORATION BY COURT

In proceedings to liquidate the assets and business of a corporation the court shall have power to issue injunctions, to appoint a receiver or receivers pendente lite, with such powers and duties as the court, from time to time, may direct, and to take such other proceedings as may be requisite to preserve the corporate assets wherever situated, and carry on the business of the corporation until a full hearing can be had.

After a hearing had upon such notice as the court may direct to be given to all parties to the proceedings and to any other parties in interest designated by the court, the court may appoint a liquidating receiver or receivers with authority to collect the assets of the corporation, including all amounts owing to the corporation by subscribers on account of any unpaid portion of the consideration for the issuance of shares. Such liquidating receiver or receivers shall have authority, subject to the order of the court, to sell, convey and dispose of all or any part of the assets of the corporation wherever situated, either at public or private sale. The assets of the corporation or the proceeds resulting from a sale, conveyance or other disposition thereof shall be applied to the expenses of such liquidation and to the payment of the liabilities and obligations of the corporation, and any remaining assets or proceeds shall be distributed among its shareholders according to their respective rights and interests. The order appointing such liquidating receiver or receivers shall state their powers and duties. Such powers and duties may be increased or diminished at any time during the proceedings.

The court shall have power to allow from time to time as expenses of the liquidation compensation to the receiver or receivers and to attorneys in the proceeding, and to direct the payment thereof out of the assets of the corporation or the proceeds of any sale or disposition of such assets.

A receiver of a corporation appointed under the provisions of this section shall have authority to sue and defend in all courts in his own name as receiver of such corporation. The court appointing such receiver shall have exclusive jurisdiction of the corporation and its property, wherever situated.

Section 99. A new section of Kentucky Revised Statutes Chapter 271 is created to read as follows:

QUALIFICATION OF RECEIVERS

A receiver shall in all cases be a natural person or a corporation authorized to act as receiver, which corporation may be a domestic corporation or a foreign corporation authorized to transact business in this State, and shall in all cases give such bond as the court may direct with such sureties as the court may require.

Section 100. A new section of Kentucky Revised Statutes Chapter 271 is created to read as follows:

FILING OF CLAIMS IN LIQUIDATION PROCEEDINGS

In proceedings to liquidate the assets and business of a corporation the court may require all creditors of the corporation to file with the clerk of the court or with the receiver, in such form as the court may prescribe, proofs under oath of their respective claims. If the court requires the filing of claims it shall fix a date, which shall be not less than four months from the date of the order, as the last day for the filing of claims, and shall prescribe the notice that shall be given to creditors and claimants of the date so fixed. Prior to the date so fixed, the court may extend the time for the filing of claims. Creditors and claimants failing to file proofs of claim on or before the date so fixed may be barred, by order of court, from participating in the distribution of the assets of the corporation.

Section 101. A new section of Kentucky Revised Statutes Chapter 271 is created to read as follows:

DISCONTINUANCE OF LIQUIDATION PROCEEDINGS

The liquidation of the assets and business of a corporation may be discontinued at any time during the liquidation proceed-

ings when it is established that cause for liquidation no longer exists. In such event the court shall dismiss the proceedings and direct the receiver to redeliver to the corporation all its remaining property and assets.

Section 102. A new section of Kentucky Revised Statutes Chapter 271 is created to read as follows:

DECREE OF INVOLUNTARY DISSOLUTION

In proceedings to liquidate the assets and business of a corporation, when the costs and expenses of such proceedings and all debts, obligations and liabilities of the corporation shall have been paid and discharged and all of its remaining property and assets distributed to its shareholders, or in case its property and assets are not sufficient to satisfy and discharge such costs, expenses, debts and obligations, all the property and assets have been applied so far as they will go to their payment, the court shall enter a decree dissolving the corporation, whereupon the existence of the corporation shall cease.

Section 103. A new section of Kentucky Revised Statutes Chapter 271 is created to read as follows:

FILING OF DECREE OF DISSOLUTION

In case the court shall enter a decree dissolving a corporation, it shall be the duty of the clerk of such court to cause a certified copy of the decree to be filed with the Secretary of State and another certified copy of the decree to be recorded in the office of the clerk of the county court of the county in which the registered office of the corporation is situated. No fee shall be charged by the Secretary of State for the filing thereof and no fee shall be charged by the clerk of the county court for the recording thereof.

Section 104. A new section of Kentucky Revised Statutes Chapter 271 is created to read as follows:

DISPOSITION OF DISTRIBUTIVE PORTIONS DUE SHAREHOLDERS WHO ARE UNKNOWN OR CANNOT BE FOUND

(1) Where, in the distribution of the assets of a corporation among its shareholders, a shareholder entitled to a distributive portion is unknown or cannot be found, the directors of the

corporation or the receiver, as the case may be, having control of such distribution, shall deposit such distributive portion with the Department of Revenue. In the event distribution is made other than in cash, the distributive portion shall be reduced to cash before being so deposited. At the time of making the deposit, the directors or receiver, as the case may be, shall file with the Department of Revenue a written report giving the name of the shareholder, if known, his last known address, the amount of the distributive portion, and such other information as the department may require. The department shall mail a copy of such report to the sheriff of the county in which the registered office of the corporation was located, at the time reports of abandoned property are next mailed to sheriffs under the provisions of KRS 393.110, and the sheriff shall post and publish the report, and certify the fact thereof, the same as provided in KRS 393.110 for reports of abandoned property.

(2) Sums deposited with the Department of Revenue pursuant to subsection (1) of this section shall be promptly paid into the State Treasury by the department.

(3) The shareholder or any other person entitled to an interest in a distributive portion deposited with the Department of Revenue as provided in subsection (1) of this section shall have the same rights with regard to the recovery of the same from the state as are provided in KRS 393.140 to 393.160 for claimants of property presumed to be abandoned, and all of the provisions of said sections shall be applicable.

(4) If a distributive portion is not deposited with the Department of Revenue as provided in subsection (1) of this section, the directors of the corporation or the receiver, as the case may be, having control of the distribution, shall be jointly and severally liable to the shareholder for the amount of such portion not so deposited.

Section 105. A new section of Kentucky Revised Statutes Chapter 271 is created to read as follows:

SURVIVAL OF REMEDY AFTER DISSOLUTION

The dissolution of a corporation either (1) by the issuance of a certificate of dissolution by the Secretary of State, or (2) by a decree of court when the court has not liquidated the assets

and business of the corporation as provided in this Act, or (3) by expiration of its period of duration, shall not take away or impair any remedy available to or against such corporation, its directors, officers, or shareholders, for any right or claim existing, or any liability incurred, prior to such dissolution if action or other proceeding thereon is commenced within two years after the date of such dissolution. Any such action or proceeding by or against the corporation may be prosecuted or defended by the corporation in its corporate name. The shareholders, directors and officers shall have power to take such corporate or other action as shall be appropriate to protect such remedy, right or claim. If such corporation was dissolved by the expiration of its period of duration, such corporation may amend its articles of incorporation at any time during such period of two years so as to extend its period of duration.

Section 106. A new section of Kentucky Revised Statutes Chapter 271 is created to read as follows:

ADMISSION OF FOREIGN CORPORATION

No foreign corporation, except a foreign insurance company, shall have the right to transact business in this State until it shall have procured a certificate of authority so to do from the Secretary of State. No foreign corporation shall be entitled to procure a certificate of authority under this Act to transact in this State any business which a corporation organized under this Act is not permitted to transact. A foreign corporation shall not be denied a certificate of authority by reason of the fact that the laws of the state or country under which such corporation is organized governing its organization and internal affairs differ from the laws of this State, and nothing in this Act contained shall be construed to authorize this State to regulate the organization or the internal affairs of such corporation.

Without excluding other activities which may not constitute transacting business in this State, a foreign corporation shall not be considered to be transacting business in this State, for the purposes of this Act, by reason of carrying on in this State any one or more of the following activities:

(a) Maintaining or defending any action or suit or any administrative or arbitration proceeding, or effecting the settlement thereof or the settlement of claims or disputes.

(b) Holding meetings of its directors or shareholders or carrying on other activities concerning its internal affairs.

(c) Maintaining bank accounts.

(d) Maintaining offices or agencies for the transfer, exchange and registration of its securities, or appointing and maintaining trustees or depositaries with relation to its securities.

(e) Effecting sales through independent contractors.

(f) Soliciting or procuring orders, whether by mail or through employees or agents or otherwise, where such orders require acceptance without this State before becoming binding contracts.

(g) Creating evidences of debt, the mortgages or liens on real or personal property.

(h) Securing or collecting debts or enforcing any rights in property securing the same.

(i) Transacting any business in interstate commerce.

(j) Conducting an isolated transaction completed within a period of thirty days and not in the course of a number of repeated transactions of like nature.

Section 107. A new section of Kentucky Revised Statutes Chapter 271 is created to read as follows:

POWERS OF FOREIGN CORPORATION

A foreign corporation which shall have received a certificate of authority under this Act shall, until a certificate of revocation or of withdrawal shall have been issued as provided in this Act, enjoy the same, but no greater, rights and privileges as a domestic corporation organized for the purposes set forth in the application pursuant to which such certificate of authority is issued; and, except as in this Act otherwise provided, shall be subject to the same duties, restrictions, penalties and liabilities now or hereafter imposed upon a domestic corporation of like character.

Section 108. A new section of Kentucky Revised Statutes Chapter 271 is created to read as follows:

CORPORATE NAME OF FOREIGN CORPORATION

No certificate of authority shall be issued to a foreign corporation unless the corporate name of such corporation:

(a) Shall contain the word "corporation," "company," "incorporated," or "limited," or shall contain an abbreviation of one of such words, or such corporation shall, for use in this State, add at the end of its name one of such words or an abbreviation thereof.

(b) Shall not contain any word or phrase which indicates or implies that it is organized for any purpose other than one or more of the purposes contained in its articles of incorporation or that it is authorized or empowered to conduct the business of banking or insurance.

(c) Shall not be the same as, or deceptively similar to, the name of any domestic corporation existing under the laws of this State or any foreign corporation authorized to transact business in this State, or a name the exclusive right to which is, at the time, reserved in the manner provided in this Act, or the name of a corporation which has in effect a registration of its name as provided in this Act except that this provision shall not apply if the foreign corporation applying for a certificate of authority files with the Secretary of State any one of the following:

(1) a resolution of its board of directors adopting a fictitious name for use in transacting business in this State which fictitious name is not deceptively similar to the name of any domestic corporation or of any foreign corporation authorized to transact business in this State or to any name reserved or registered as provided in this Act, or

(2) the written consent of such other corporation or holder of a reserved or registered name to use the same or deceptively similar name and one or more words are added to make such name distinguishable from such other name, or (3) a certified copy of a final decree of a court of competent jurisdiction establishing the prior right of such foreign corporation to the use of such name in this State.

Section 109. A new section of Kentucky Revised Statutes Chapter 271 is created to read as follows:

CHANGE OF NAME BY FOREIGN CORPORATION

Whenever a foreign corporation which is authorized to transact business in this State shall change its name to one under

which a certificate of authority would not be granted to it on application therefor, the certificate of authority of such corporation shall be suspended and it shall not thereafter transact any business in this State until it has changed its name to a name which is available to it under the laws of this State or has otherwise complied with the provisions of this Act.

Section 110. A new section of Kentucky Revised Statutes Chapter 271 is created to read as follows:

APPLICATION FOR CERTIFICATE OF AUTHORITY

A foreign corporation, in order to procure a certificate of authority to transact business in this State, shall make application therefor to the Secretary of State, which application shall set forth:

(a) The name of the corporation and the state or country under the laws of which it is incorporated.

(b) If the name of the corporation does not contain the word "corporation," "company," "incorporated," or "limited," or does not contain an abbreviation of one of such words, then the name of the corporation with the word or abbreviation which it elects to add thereto for use in this State.

(c) The date of incorporation and the period of duration of the corporation.

(d) The address of the principal office of the corporation in the state or country under the laws of which it is incorporated.

(e) The address of the proposed registered office of the corporation in this State, and the name of its proposed registered agent in this State at such address.

(f) The purpose or purposes of the corporation which it proposes to pursue in the transaction of business in this State.

(g) The names and respective addresses of the directors and officers of the corporation.

(h) Such additional information as may be necessary or appropriate in order to enable the Secretary of State to determine whether such corporation is entitled to a certificate of authority to transact business in this State.

Such application shall be made on forms prescribed and furnished by the Secretary of State and shall be executed in

duplicate by the corporation by its president or a vice president and by its secretary or an assistant secretary, and verified by one of the officers signing such application.

Section 111. A new section of Kentucky Revised Statutes Chapter 271 is created to read as follows:

FILING OF APPLICATION FOR CERTIFICATE OF AUTHORITY

Duplicate originals of the application of the corporation for a certificate of authority shall be delivered to the Secretary of State, together with a copy of its articles of incorporation and all amendments thereto, duly authenticated by the proper officer of the state or country under the laws of which it is incorporated.

If the Secretary of State finds that such application conforms to law, he shall, when all fees have been paid as in this Act prescribed:

(a) Endorse on each of such documents the word "Filed," and the month, day and year of the filing thereof.

(b) File in his office one of such duplicate originals of the application and the copy of the articles of incorporation and amendments thereto.

(c) Issue a certificate of authority to transact business in this State to which he shall affix the other duplicate original application.

The certificate of authority, together with the duplicate original of the application affixed thereto by the Secretary of State, shall be returned to the corporation or its representative.

Section 112. A new section of Kentucky Revised Statutes Chapter 271 is created to read as follows:

EFFECT OF CERTIFICATE OF AUTHORITY

Upon the issuance of a certificate of authority by the Secretary of State, the corporation shall be authorized to transact business in this State for those purposes set forth in its application, subject, however, to the right of this State to suspend or to revoke such authority as provided in this Act.

Section 113. A new section of Kentucky Revised Statutes Chapter 271 is created to read as follows:

REGISTERED OFFICE AND REGISTERED AGENT OF FOREIGN CORPORATION

Each foreign corporation authorized to transact business in this State shall have and continuously maintain in this State:

(a) A registered office which may be, but need not be, the same as its place of business in this State.

(b) A registered agent, which agent may be either an individual resident in this State whose business office is identical with such registered office, or a domestic corporation, or a foreign corporation authorized to transact business in this State, having a business office identical with such registered office.

Section 114. A new section of Kentucky Revised Statutes Chapter 271 is created to read as follows:

CHANGE OF REGISTERED OFFICE OR REGISTERED AGENT OF FOREIGN CORPORATION

A foreign corporation authorized to transact business in this State may change its registered office or change its registered agent, or both, upon filing in the office of the Secretary of State a statement setting forth:

(a) The name of the corporation.

(b) The address of its then registered office.

(c) If the address of its registered office be changed, the address to which the registered office it to be changed.

(d) The name of its then registered agent.

(e) If its registered agent be changed, the name of its successor registered agent.

(f) That the address of its registered office and the address of the business office of its registered agent, as changed, will be identical.

(g) That such change was authorized by resolution duly adopted by its board of directors.

Such statement shall be executed by the corporation by its president or a vice president, and verified by him, and delivered to the Secretary of State. If the Secretary of State finds that

such statement conforms to the provisions of this Act, he shall file such statement in his office, and upon such filing the change of address of the registered office, or the appointment of a new registered agent, or both, as the case may be, shall become effective.

Any registered agent of a foreign corporation may resign as such agent upon filing a written notice thereof, executed in duplicate, with the Secretary of State, who shall forthwith mail a copy thereof to the corporation at its principal office in the state or country under the laws of which it is incorporated. The appointment of such agent shall terminate upon the expiration of thirty days after receipt of such notice by the Secretary of State.

If a registered agent changes his or its business address to another place within the same county, he or it may change such address and the address of the registered office of any corporation of which he or it is registered agent by filing a statement as required above except that it need be signed only by the registered agent and need not be responsive to (e) or (g) and must recite that a copy of the statement has been mailed to the corporation.

Section 115. A new section of Kentucky Revised Statutes Chapter 271 is created to read as follows:

SERVICE OF PROCESS ON FOREIGN CORPORATION

The registered agent so appointed by a foreign corporation authorized to transact business in this State shall be an agent of such corporation upon whom any process, notice or demand required or permitted by law to be served upon the corporation may be served

Whenever a foreign corporation authorized to transact business in this State shall fail to appoint or maintain a registered agent in this State, or whenever any such registered agent cannot with reasonable diligence be found at the registered office, or whenever the certificate of authority of a foreign corporation shall be suspended or revoked, then the Secretary of State shall be an agent of such corporation upon whom any such process, notice, or demand may be served. Service on the Secretary of

State of any such process, notice or demand shall be made by delivering to and leaving with him, or with any clerk having charge of the corporation department of his office, duplicate copies of such process, notice or demand. In the event any such process, notice or demand is served on the Secretary of State, he shall immediately cause one of such copies thereof to be forwarded by registered mail, addressed to the corporation at its principal office in the state or country under the laws of which it is incorporated. Any service so had on the Secretary of State shall be returnable in not less than thirty days.

The Secretary of State shall keep a record of all processes, notices and demands served upon him under this section, and shall record therein the time of such service and his action with reference thereto.

Nothing herein contained shall limit or affect the right to serve any process, notice or demand, required or permitted by law to be served upon a foreign corporation in any other manner now or hereafter permitted by law.

Section 116. A new section of Kentucky Revised Statutes Chapter 271 is created to read as follows:

AMENDMENT TO ARTICLES OF INCORPORATION OF FOREIGN CORPORATION

Whenever the articles of incorporation of a foreign corporation authorized to transact business in this State are amended, such foreign corporation shall, within thirty days after such amendment becomes effective, file in the office of the Secretary of State a copy of such amendment duly authenticated by the proper officer of the state or country under the laws of which it is incorporated; but the filing thereof shall not of itself enlarge or alter the purpose or purposes which such corporation is authorized to pursue in the transaction of business in this State, nor authorize such corporation to transact business in this State under any other name than the name set forth in its certificate of authority.

Section 117. A new section of Kentucky Revised Statutes Chapter 271 is created to read as follows:

MERGER OF FOREIGN CORPORATION AUTHORIZED TO TRANSACT BUSINESS IN THIS STATE

Whenever a foreign corporation authorized to transact business in this State shall be a party to a statutory merger permitted by the laws of the state or country under the laws of which it is incorporated, and such corporation shall be the surviving corporation, it shall, within thirty days after such merger becomes effective, file with the Secretary of State a copy of the articles of merger duly authenticated by the proper officer of the state or country under the laws of which such statutory merger was effected; and it shall not be necessary for such corporation to procure either a new or amended certificate of authority to transact business in this State unless the name of such corporation be changed thereby or unless the corporation desires to pursue in this State other or additional purposes than those which it is then authorized to transact in this State.

Section 118. A new section of Kentucky Revised Statutes Chapter 271 is created to read as follows:

AMENDED CERTIFICATE OF AUTHORITY

A foreign corporation authorized to transact business in this State shall procure an amended certificate of authority in the event it changes its corporate name, or desires to pursue in this State other or additional purposes than those set forth in its prior application for a certificate of authority, by making application therefor to the Secretary of State.

The requirements in respect to the form and contents of such application, the manner of its execution, the filing of duplicate originals thereof with the Secretary of State, the issuance of an amended certificate of authority and the effect thereof, shall be the same as in the case of an original application for a certificate of authority.

Section 119. A new section of Kentucky Revised Statutes Chapter 271 is created to read as follows:

WITHDRAWAL OF FOREIGN CORPORATION

A foreign corporation authorized to transact business in this State may withdraw from this State upon procuring from the Secretary of State a certificate of withdrawal. In order to procure

such certificate of withdrawal, such foreign corporation shall deliver to the Secretary of State an application for withdrawal, which shall set forth:

(a) The name of the corporation and the state or country under the laws of which it is incorporated.

(b) That the corporation is not transacting business in this State.

(c) That the corporation surrenders its authority to transact business in this State.

(d) That the corporation revokes the authority of its registered agent in this State to accept service of process and consents that service of process in any action, suit or proceeding based upon any cause of action arising in this State during the time the corporation was authorized to transact business in this State may thereafter be made on such corporation by service thereof on the Secretary of State.

(e) A post-office address to which the Secretary of State may mail a copy of any process against the corporation that may be served on him.

The application for withdrawal shall be made on forms prescribed and furnished by the Secretary of State and shall be executed by the corporation by its president or a vice president and by its secretary or an assistant secretary, and verified by one of the officers signing the application, or, if the corporation is in the hands of a receiver or trustee, shall be executed on behalf of the corporation by such receiver or trustee and verified by him.

Section 120. A new section of Kentucky Revised Statutes Chapter 271 is created to read as follows:

FILING OF APPLICATION FOR WITHDRAWAL

Duplicate originals of such application for withdrawal shall be delivered to the Secretary of State. If the Secretary of State finds that such application conforms to the provisions of this Act, he shall, when all fees have been paid as in this Act prescribed:

(a) Endorse on each of such duplicate originals the word "Filed," and the month, day and year of the filing thereof.

(b) File one of such duplicate originals in his office.

(c) Issue a certificate of withdrawal to which he shall affix the other duplicate original.

The certificate of withdrawal, together with the duplicate original of the application for withdrawal affixed thereto by the Secretary of State, shall be returned to the corporation or its representative. Upon the issuance of such certificate of withdrawal, the authority of the corporation to transact business in this State shall cease.

Section 121. A new section of Kentucky Revised Statutes Chapter 271 is created to read as follows:

REVOCATION OF CERTIFICATE OF AUTHORITY

The certificate of authority of a foreign corporation to transact business in this State may be revoked by the Secretary of State upon the conditions prescribed in this section when:

(a) The corporation has failed to file its annual report within the time required by this Act, or has failed to pay any fees, taxes or penalties prescribed by law when they have become due and payable; or

(b) The corporation has failed to appoint and maintain a registered agent in this State as required by this Act; or

(c) The corporation has failed, after change of its registered office or registered agent, to file in the office of the Secretary of State a statement of such change as required by this Act; or

(d) The corporation has failed to file in the office of the Secretary of State any amendment to its articles of incorporation or any articles of merger within the time prescribed by this Act; or

(e) A misrepresentation has been made of any material matter in any application, report, affidavit, or other document submitted by such corporation pursuant to this Act.

No cerificate of authority of a foreign corporation shall be revoked by the Secretary of State unless (1) he shall have given the corporation not less than sixty days' notice thereof by mail addressed to its registered office in this State, and (2) the corporation shall fail prior to revocation to file such annual report, or pay such fees, taxes or penalties, or file the required statement of change of registered agent or registered office, or file such articles of amendment or articles of merger, or correct such misrepresentation.

Section 122. A new section of Kentucky Revised Statutes Chapter 271 is created to read as follows:

ISSUANCE OF CERTIFICATE OF REVOCATION

Upon revoking any such certificate of authority, the Secretary of State shall:

(a) Issue a certificate of revocation in duplicate.

(b) File one of such certificates in his office.

(c) Mail to such corporation at its registered office in this State a notice of such revocation accompanied by one of such certificates.

Upon the issuance of such certificate of revocation, the authority of the corporation to transact business in this State shall cease.

Section 123. A new section of Kentucky Revised Statutes Chapter 271 is created to read as follows:

APPLICATION TO CORPORATIONS HERETOFORE AUTHORIZED TO TRANSACT BUSINESS IN THIS STATE

Foreign corporations which are duly authorized to transact business in this State at the time this Act takes effect, for a purpose or purposes for which a corporation might secure such authority under this Act, shall, subject to the limitations set forth in their respective certificates of authority, be entitled to all rights and privileges applicable to foreign corporations procuring certificates of authority to transact business in this State under this Act, and from the time this Act takes effect such corporations shall be subject to all the limitations, restrictions, liabilities, and duties prescribed herein for foreign corporations procuring certificates of authority to transact business in this State under this Act.

Section 124. A new section of Kentucky Revised Statutes Chapter 271 is created to read as follows:

TRANSACTING BUSINESS WITHOUT CERTIFICATE OF AUTHORITY

No foreign corporation transacting business in this State without a certificate of authority shall be permitted to maintain any action, suit or proceeding in any court of this State, until

such corporation shall have obtained a certificate of authority. Nor shall any action, suit or proceeding be maintained in any court of this State by any successor or assignee of such corporation on any right, claim or demand arising out of the transaction of business by such corporation in this State, until a certificate of authority shall have been obtained by such corporation or by a corporation which has acquired all or substantially all of its assets.

The failure of a foreign corporation to obtain a certificate of authority to transact business in this State shall not impair the validity of any contract or act of such corporation, and shall not prevent such corporation from defending any action, suit or proceeding in any court of this State.

A foreign corporation which transacts business in this State without a certificate of authority shall be liable to this State, for the years or parts thereof during which it transacted business in this State without a certificate of authority, in an amount equal to all fees which would have been imposed by this Act upon such corporation had it duly applied for and received a certificate of authority to transact business in this State as required by this Act and thereafter filed all reports required by this Act, plus all penalties imposed by this Act for failure to pay such fees. The Attorney General shall bring proceedings to recover all amounts due this State under the provisions of this Section.

Section 125. A new section of Kentucky Revised Statutes Chapter 271 is created to read as follows:

ANNUAL REPORT OF DOMESTIC AND FOREIGN CORPORATIONS

Each domestic corporation, and each foreign corporation authorized to transact business in this State, shall file, within the time prescribed by this Act, an annual report setting forth:

(a) The name of the corporation and the state or country under the laws of which it is incorporated.

(b) The address of the registered office of the corporation in this State, and the name of its registered agent in this State at such address, and, in case of a foreign corporation, the address

of its principal office in the state or country under the laws of which it is incorporated.

(c) A brief statement of the character of the business in which the corporation is actually engaged in this State.

Section 126. A new section of Kentucky Revised Statutes Chapter 271 is created to read as follows:

FILING OF ANNUAL REPORT OF DOMESTIC AND FOREIGN CORPORATIONS

Such annual report of a domestic or foreign corporation shall be delivered to the Secretary of State between the first day of January and the first day of March of each year, except that the first annual report of a domestic or foreign corporation shall be filed between the first day of January and the first day of March of the year next succeeding the calendar year in which its certificate of incorporation or its certificate of authority, as the case may be, was issued by the Secretary of State. Proof to the satisfaction of the Secretary of State that prior to the first day of March such report was deposited in the United States mail in a sealed envelope, properly addressed, with postage prepaid, shall be deemed a compliance with this requirement. If the Secretary of State finds that such report conforms to the requirements of this Act, he shall file the same. If he finds that it does not so conform, he shall promptly return the same to the corporation for any necessary corrections, in which event the penalties hereinafter prescribed for failure to file such report within the time hereinbefore provided shall not apply, if such report is corrected to conform to the requirements of this Act and returned to the Secretary of State within thirty days from the date on which it was mailed to the corporation by the Secretary of State.

Section 127. A new section of Kentucky Revised Statutes Chapter 271 is created to read as follows:

FEES AND CHARGES TO BE COLLECTED BY SECRETARY OF STATE

The Secretary of State shall charge and collect in accordance with the provisions of this Act:

(a) Fees for filing documents and issuing certificates.

(b) Miscellaneous charges.

Section 128. A new section of Kentucky Revised Statutes Chapter 271 is created to read as follows:

FEES FOR FILING DOCUMENTS AND ISSUING CERTIFICATES

In respect of the following documents, the fees to be collected by the Secretary of State for filing and issuing, when required by this Act, and by the clerk of the county court for recording, when required by this Act, shall be:

(a) Articles of incorporation and a certificate of incorporation, by the Secretary of State, four dollars, and by the clerk, three dollars.

(b) Articles of amendment and a certificate of amendment, by the Secretary of State, four dollars, and by the clerk, three dollars.

(c) Restated articles of incorporation, by the Secretary of State, four dollars, and by the clerk, three dollars.

(d) Articles of merger or consolidation and a certificate of merger or consolidation, by the Secretary of State, four dollars, and by the clerk, three dollars.

(e) An application to reserve a corporate name, by the Secretary of State, five dollars.

(f) A notice of transfer of a reserved corporate name, by the Secretary of State, five dollars.

(g) A statement of change of address of registered office or change of registered agent, or both, by the Secretary of State, five dollars.

(h) A statement of the establishment of a series of shares, by the Secretary of State, four dollars, and by the clerk, three dollars.

(i) A statement of cancellation of shares, by the Secretary of State, four dollars, and by the clerk, three dollars.

(j) A statement of reduction of stated capital, by the Secretary of State, four dollars, and by the clerk, three dollars.

(k) A statement of intent to dissolve, by the Secretary of State, two dollars, and by the clerk, two dollars.

(l) A statement of revocation of voluntary dissolution proceedings, by the Secretary of State, two dollars, and by the clerk, two dollars.

(m) Articles of dissolution, by the Secretary of State, two dollars, and by the clerk, two dollars.

(n) An application of a foreign corporation for a certificate of authority to transact business in this State and a certificate of authority, by the Secretary of State, thirty-five dollars.

(o) An application of a foreign corporation for an amended certificate of authority to transact business in this State and an amended certificate of authority, by the Secretary of State, ten dollars.

(p) A copy of an amendment to the articles of incorporation of a foreign corporation holding a certificate of authority to transact business in this State, by the Secretary of State, ten dollars.

(q) A copy of articles of merger of a foreign corporation holding a certificate of authority to transact business in this State, by the Secrteary of State, four dollars.

(r) An application for withdrawal of a foreign corporation and a certificate of withdrawal, by the Secretary of State, five dollars.

(s) Any other statement or report, except an annual report, of a domestic or foreign corporation, by the Secretary of State, five dollars, and by the clerk, three dollars.

Section 129. A new section of Kentucky Revised Statutes Chapter 271 is created to read as follows:

MISCELLANEOUS CHARGES

The Secretary of State shall charge and collect:

(a) For furnishing a certified copy of any document, instrument, or paper relating to a corporation, twenty-five cents per page and one dollar for the certificate and affixing the seal thereto.

(b) At the time of any service of process on him as resident

agent of a corporation, four dollars, which amount may be recovered as taxable costs by the party to the suit or action causing such service to be made if such party prevails in the suit or action.

Section 130. A new section of Kentucky Revised Statutes Chapter 271 is created to read as follows:

PENALTIES IMPOSED UPON CORPORATIONS

Each corporation, domestic or foreign, that fails to or refuses to file its annual report for any year within the time prescribed by this Act shall be subject to a penalty of one hundred dollars.

Each corporation, domestic or foreign that fails or refuses to answer truthfully and fully within the time prescribed by this Act interrogatories propounded by the Secretary of State in accordance with the provisions of this Act, shall be deemed to be guilty of a misdemeanor and upon conviction thereof may be fined in any amount not exceeding five hundred dollars.

Section 131. A new section of Kentucky Revised Statutes Chapter 271 is created to read as follows:

PENALTIES IMPOSED UPON OFFICERS AND DIRECTORS

Each officer and director of a corporation, domestic or foreign, who fails or refuses within the time prescribed by this Act to answer truthfuly and fully interrogatories propounded to him by the Secretary of State in accordance with the provisions of this Act, or who signs any articles, statement, report, application or other document filed with the Secretary of State which is known to such officer or director to be false in any material respect, shall be deemed to be guilty of a misdemeanor, and upon conviction thereof may be fined in any amount not exceeding five hundred dollars.

Section 132. A new section of Kentucky Revised Statutes Chapter 271 is created to read as follows:

INTERROGATORIES BY SECRETARY OF STATE

The Secretary of State may propound to any corporation, domestic or foreign, subject to the provisions of this Act, and to

any officer or director thereof, such interrogatories as may be reasonably necessary and proper to enable him to ascertain whether such corporation has complied with all the provisions of this Act applicable to such corporation. Such interrogatories shall be answered within thirty days after the mailing thereof, or within such additional time as shall be fixed by the Secretary of State, and the answers thereto shall be full and complete and shall be made in writing and under oath. If such interrogatories be directed to an individual they shall be answered by him, and if directed to a corporation they shall be answered by the president, vice president, secretary or assistant secretary thereof. The Secretary of State need not file any document to which such interrogatories relate until such interrogatories be answered as herein provided, and not then if the answers thereto disclose that such document is not in conformity with the provisions of this Act. The Secretary of State shall certify to the Attorney General, for such action as the Attorney General may deem appropriate, all interrogatories and answers thereto which disclose a violation of any of the provisions of this Act.

Section 133. A new section of Kentucky Revised Statutes Chapter 271 is created to read as follows:

INFORMATION DISCLOSED
BY INTERROGATORIES

Interrogatories propounded by the Secretary of State and the answers thereto shall not be upon to public inspection nor shall the Secretary of State disclose any facts or information obtained therefrom except insofar as his official duty may require the same to be made public or in the event such interrogatories or the answers thereto are required for evidence in any criminal proceedings or in any other action by this State.

Section 134. A new section of Kentucky Revised Statutes Chapter 271 is created to read as follows:

POWERS OF SECRETARY OF STATE

The Secretary of State shall have the power and authority reasonably necessary to enable him to administer this Act efficiently and to perform the duties therein imposed upon him.

Section 135. A new section of Kentucky Revised Statutes Chapter 271 is created to read as follows:

APPEAL FROM SECRETARY OF STATE

If the Secretary of State shall fail to approve any articles of incorporation, amendment, merger, consolidation or dissolution, or any other document required by this Act to be approved by the Secretary of State before the same shall be filed in his office, he shall, within ten days after the delivery thereof to him, give written notice of his disapproval to the person or corporation, domestic or foreign, delivering the same, specifying the reasons therefor. From such disapproval such person or corporation may appeal to the circuit court of the county in which the registered office of such corporation is, or is proposed to be, situated by filing with the clerk of such court a petition setting forth a copy of the articles or other documents sought to be filed and a copy of the written disapproval thereof by the Secretary of State; whereupon the matter shall be tried de novo by the court, and the court shall either sustain the action of the Secretary of State or direct him to take such action as the court may deem proper.

If the Secretary of State shall revoke the certificate of authority to transact business in this State of any foreign corporation, pursuant to the provisions of this Act, such foreign corporation may likewise appeal to the circuit court of the county where the registered office of such corporation in this State is situated, by filing with the clerk of such court a petition setting forth a copy of its certificate of authority to transact business in this State and a copy of the notice of revocation given by the Secretary of State; whereupon the matter shall be tried de novo by the court, and the court shall either sustain the action of the Secretary of State or direct him to take such action as the court may deem proper.

Appeals from all final orders and judgments entered by the circuit court under this section in review of any ruling or decision of the Secretary of State may be taken as in other civil actions.

Section 136. A new section of Kentucky Revised Statutes Chapter 271 is created to read as follows:

CERTIFICATES AND CERTIFIED COPIES
TO BE RECEIVED IN EVIDENCE

All certificates issued by the Secretary of State in accordance with the provisions of this Act, and all copies of documents filed in his office in accordance with the provisions of this Act when certified by him, shall be taken and received in all courts, public offices, and official bodies as prima facie evidence of the facts therein stated. A certificate by the Secretary of State under the great seal of this State, as to the existence or non-existence of the facts relating to corporations shall be taken and received in all courts, public offices, and official bodies as prima facie evidence of the existence or non-existence of the facts therein stated.

Section 137. A new section of Kentucky Revised Statutes Chapter 271 is created to read as follows:

FORMS TO BE FURNISHED
BY THE SECRETARY OF STATE

All reports required by this Act to be filed in the office of the Secretary of State shall be made on forms which shall be prescribed and furnished by the Secretary of State. Forms for all other documents to be filed in the office of the Secretary of State shall be furnished by the Secretary of State on request therefor, but the use thereof, unless otherwise specifically prescribed in this Act, shall not be mandatory.

Section 138. A new section of Kentucky Revised Statutes Chapter 271 is created to read as follows:

GREATER VOTING REQUIREMENTS

Whenever, with respect to any action to be taken by the shareholders of a corporation, the articles of incorporation require the vote or concurrence of the holders of a greater proportion of the shares, or of any class or series thereof, than required by this Act with respect to such action, the provisions of the articles of incorporation shall control.

Section 139. A new section of Kentucky Revised Statutes Chapter 271 is created to read as follows:

WAIVER OF NOTICE

Whenever any notice is required to be given to any shareholder or director of a corporation under the provisions of this

Act or under the provisions of the articles of incorporation or by-laws of the corporation, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be equivalent to the giving of such notice.

Section 140. A new section of Kentucky Revised Statutes Chapter 271 is created to read as follows:

ACTION BY SHAREHOLDERS
WITHOUT A MEETING

Any action required by this Act to be taken at a meeting of the shareholders of a corporation, or any action which may be taken at a meeting of the shareholders, may be taken without a meeting if a consent in writing, seting forth the action so taken, shall be signed by all of the shareholders entitled to vote with respect to the subject matter thereof.

Such consent shall have the same effect as a unanimous vote of shareholders, and may be stated as such in any articles or document filed with the Secretary of State under this Act.

Section 141. A new section of Kentucky Revised Statutes Chapter 271 is created to read as follows:

UNAUTHORIZED ASSUMPTION
OF CORPORATE POWERS

All persons who assume to act as a corporation without authority so to do shall be jointly and severally liable for all debts and liabilities incurred or arising as a result thereof.

Section 142. A new section of Kentucky Revised Statutes Chapter 271 is created to read as follows:

APPLICATION OF CHAPTER TO
CORPORATIONS IN EXISTENCE ON JUNE 30, 1970

(1) Subject to the provisions of this section, this chapter, so far as it can be made applicable, shall apply to any corporation in existence on June 30, 1970, which was formed under the general corporation laws of this state or by special Act for a purpose or purposes for which a corporation might be formed under this chapter.

(2) The principal office or place of business as specified in the articles of incorporation of such existng corporation, or as changed pursuant to statement of change filed under former KRS 271.385, shall be deemed to constitute the registered office of the corporation.

(3) The process agent designated by such existing corporation under the provisions of former KRS 271.385 shall constitute the process agent of the corporation until changed as provided in Section 13 of this Act.

(4) It shall not be necessary for any such existing corporation to amend its articles to set forth the provisions required by this Act to be set forth in articles of incorporation.

(5) Such existing corporation shall have all of the powers enumerated in Section 4 of this Act.

(6) The existing classes of shares of such existing corporation shall not be affected by this Act, but all allotments of shares made after June 30, 1970, and all changes in classes of shares and rights of shareholders made after such date shall be in accordance with the provisions of this Act.

(7) The form of existing stock certificate shall not be affected by this Act, but certificates issued after June 30, 1970, shall conform to this Act.

Section 143. A new section of Kentucky Revised Statutes Chapter 271 is created to read as follows:

APPLICATION TO FOREIGN AND INTERSTATE COMMERCE

The provisions of this Act shall apply to commerce with foreign nations and among the several states only insofar as the same may be permitted under the provisions of the Constitution of the United States.

Section 144. A new section of Kentucky Revised Statutes Chapter 271 is created to read as follows:

RESERVATION OF POWER

The General Assembly shall at all times have power to prescribe such regulations, provisions and limitations as it may deem

advisable, which regulations, provisions and limitations shall be binding upon any and all corporations subject to the provisions of this Act, and the General Assembly shall have power to amend, repeal or modify this Act at pleasure.

Section 145. A new section of Kentucky Revised Statutes Chapter 271 is created to read as follows:

EFFECT OF REPEAL OF PRIOR ACTS

The repeal of a prior act by this Act shall not affect any right accrued or established, or any liability or penalty incurred, under the provisions of such act, prior to the repeal thereof.

Section 146. A new section of Kentucky Revised Statutes Chapter 271 is created to read as follows:

EFFECT OF INVALIDITY OF PART OF THIS ACT

If a court of competent jurisdiction shall adjudge to be invalid or unconstitutional any clause, sentence, paragraph, section or part of this Act, such judgment or decree shall not affect, impair, invalidate or nullify the remainder of this Act, but the effect thereof shall be confined to the clause, sentence, paragraph, section or part of this Act so adjudged to be invalid or unconstitutional.

Section 147. Section 271.147 of the Kentucky Revised Statutes is amended to read as follows:

On any bond, note, [or] debenture *or other debt security* issued by a corporation, charitable or religious institution, [which is countersigned or otherwise authenticated by] the signature of the officers of the corporation, or the trustee of a charitable or religious institution, acting in connection with the issuance, [the signature of the officers of the corporation and its seal, or the signature of the trustee of a charitable or religious institution may be facsimiles.] *and the seal of the corporation or institution, may be facsimiles if the instrument is authenticated or countersigned by a trustee or transfer agent, or registered by a registrar, other than the corporation or institution itself or an employee of the corporation or institution.* In case any officer or trustee who has signed or whose facsimile signature has been placed upon a

bond, note, [or] debenture *or other debt security* shall have ceased to be such officer or trustee before such bond, note, [or] debenture *or other debt security* is issued, it may be issued by the corporation and charitable or religious institution with the same effect as if he were such officer or trustee at the date of its issue.

Section 148.

REPEAL OF EXISTING STATUTES

The following sections of the Kentucky Revised Statutes are hereby repealed:

271.005, 271.015, 271.025, 271.035, 271.045, 271.055, 271.065, 271.075, 271.095, 271.105, 271.121, 271.125, 271.135, 271.155, 271.165, 271.175, 271.185, 271.195, 271.205, 271.215, 271.235, 271.255, 271.265, 271.275, 271.285, 271.295, 271.315, 271.325, 271.335, 271.345, 271.355, 271.365, 271.375, 271.385, 271.395, 271.405, 271.415, 271.425, 271.435, 271.440, 271.445, 271.450, 271.455, 271.460, 271.461, 271.465, 271.470, 271.475, 271.480, 271.485, 271.490, 271.495, 271.500, 271.505, 271.510, 271.515, 271.520, 271.525, 271.530, 271.535, 271.540, 271.545, 271.550, 271.555, 271.560, 271.565, 271.570, 271.575, 271.580, 271.585, 271.590, 271.605, 271.610, 271.615, 277.010.

Committee Substitute, HB 514, AN ACT relating to Private Business Corporations.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Section 271.175 of the Kentucky Revised Statutes is amended to read as follows:

Each corporation formed under the provisions of this chapter shall have power:

(1) To have a corporate seal and alter it at pleasure;

(2) To continue as a corporation for the time limited in its articles of incorporation, or, if no such time limit is specified then perpetually;

(3) To sue and be sued in its corporate name;

(4) To contract and be contracted with;

(5) To acquire, hold, sell, dispose of, pledge or mortgage any such property as its purposes may require, subject to any limitation prescribed by law or the articles of incorporation;

(6) To elect and appoint such officers and agents as the business of the corporation shall require, and to remove them, to define their duties and fix their compensation and to require a bond for the faithful discharge of their duties;

(7) To make bylaws not inconsistent with law;

(8) To conduct the business and promote the purposes for which it was formed in this state and elsewhere as may be permitted by law;

(9) To dissolve and wind up as provided in KRS 271.495 to 271.545;

(10) To acquire, hold, mortgage, pledge or dispose of the shares, bonds, securities and other evidences of indebtedness of any domestic or foreign corporation;

(11) To indemnify its directors and officers as set out in KRS 271.375;

(12) To accept gifts and to carry out any terms, requests or conditions prescribed or made by the donor thereof;

(13) To make donations for public welfare, scientific, religious or educational purposes.

(14) To be a promoter, partner, member, associate or manager of any partnership, joint venture, trust or other enterprise.

(15) To have and exercise all powers necessary or convenient to effect its purpose.

Section 2. Section 271.155 of the Kentucky Revised Statutes is amended to read as follows:

(1) The shares of a corporation may be divided into one or more classes or one or more series within any class. Any or all classes may be with par value or without par value, with such voting powers, full or limited, or without voting powers, and with such designations, preferences and relative, participating, optional or other special rights, and qualifications, limitations or restrictions thereof, as shall be stated in the articles of incorpora-

tion or any amendment thereto. The power to increase or decrease or otherwise adjust the capital as in this chapter elsewhere provided shall apply to all or any such classes of shares. Any preferred or special shares may be made subject to redemption at such time or times and at such price or prices as shall be stated in the articles of incorporation or any amendment thereto.

(2) The holders of preferred or special shares shall be entitled to receive dividends at such rates, on such conditions and at such times as shall be stated in the articles of incorporation or any amendment thereto, payable in preference to, or in such relation to, the dividends payable on any other class or classes, and cumulative or noncumulative, as shall be so stated. When the full dividends upon such shares, if any, for all past dividend periods, have been paid, or declared and a sum sufficient for the payment thereof set apart, a dividend on the remaining class or classes may then be paid out of the remaining assets of the corporation available for dividends.

(3) The holders of preferred or special shares shall be entitled to such rights upon the dissolution of, or upon any distribution of the assets of, the corporation as shall be stated in the articles of incorporation or any amendment thereto.

(4) Shares of any class or of any series thereof may be made convertible into or exchangeable for shares of any other class or classes or of any other series of the same or any other class or classes at such price or prices or at such rates of exchange and with such adjustments as shall be stated in the articles of incorporation or any amendment thereto.

(5) If the articles so provide, the shares of any preferred or special class may be divided into and issued in series. If the shares of any such class are to be issued in series, then each series shall be so designated as to distinguish the shares thereof from the shares of all other series and classes. Any or all of the series of any such class and the variations in the relative rights and preferences, as between different series, may be fixed and determined by the articles, provided that all shares of the same class shall be identical except as to the following relative rights and preferences, in respect of any or all of which there may be variations between different series namely, the rate of dividend, *the voting rights,* the price at, and the terms and conditions on, which

shares may be redeemed, the amounts payable upon shares in event of voluntary or involuntary liquidation, sinking fund provisions for the redemption or purchase of shares, and the terms and conditions on which shares may be converted in the event the shares of any series are issued with the privilege of conversion. Different series of the same class of shares shall not be construed to constitute different classes of shares for the purpose of voting by classes under this section.

(6) If the articles shall expressly vest authority in the board of directors, then, to the extent that the articles shall not have established series and fixed and determined the variations in the relative rights and preferences as between series, the board of directors shall have authority, by resolution, to divide any or all of such classes into series and, within the limitations set forth in this section, fix and determine the relative rights and preferences of any series so established and to change redeemed or reacquired shares of one series thereof into shares of another series. Such authority of the board of directors shall be subject to such limitations, if any, as are stated in the articles. [and shall always be subject to the limitation that the board of directors shall not create a sinking fund, in respect of any series, unless provisions for a sinking fund, at least as beneficial to all issued and outstanding shares of the same class, shall either then exist or be at the same time created.]

(7) If the articles of incorporation or amendmnets thereto authorize the issuance of a class or classes of securities in series and expressly vest authority in the board of directors to divide any or all of such classes into series and to fix and determine the number of shares of such series, the rate of dividend, *the voting rights,* the price at, and the terms and conditions on, which shares may be redeemed, the amount payable upon shares in the event of voluntary or involuntary liquidation, provisions for sinking funds, purchase funds, and redemption of shares, or the terms and conditions on which the shares may be converted in the event the shares of any series are issued with the privilege of conversion, a general description of any such class of shares indicating the provisions left to be fixed and determined by the board of directors shall be deemed to be a sufficient description and designation of the powers, purposes, and rights, qualifications,

limitations, and restrictions within the requirements of KRS Chapter 271.

(8) Prior to the issuance of any shares of a series established by resolution adopted by the board of directors, the corporation shall prepare a certificate in triplicate originals setting forth: (a) the name of the corporation, (b) the resolution establishing and designating the series and fixing and determining the relative rights and preferences thereof, (c) the date and manner of adoption of such resolution. Such statement shall be signed and acknowledged and filed with the Secretary of State and the clerk of the county court of the county in which the registered office of the corporation is located in the same manner as articles of amendment are required to be signed and acknowledged and filed under KRS 271.450. If the Secretary of State finds that such statement conforms to law and the articles of the corporation, and when all fees have been paid as required by law, he shall endorse his approval thereon and shall issue to the corporation, or its representative, the approved statement and shall make and retain a copy thereof. Upon the approval of such statement by the Secretary of State, the resolution establishing and designating the series and fixing and determining the relative rights and preferences thereof shall become effective.

Section 3. A new section of Chapter 271 of the Kentucky Revised Statutes is created to read as follows:

(1) Upon the allotment of shares having a par value, the consideration received therefor shall constitute capital to the extent of the par value of such shares, and except as permitted in paragraph (3) below, the excess, if any, of such consideration shall constitute paid-in surplus.

(2) Upon the allotment of shares having no par value, the entire consideration received therefor shall constitute capital unless the board of directors, within a period of one year after issue, allocate or ratify allocation to paid-in surplus (or to earned surplus in accordance with paragraph (3) below) a portion of the consideration received for such shares. No allocation shall be made of any portion of the consideration received for such shares below the stated value fixed by the directors for such shares.

(3) After any merger, consolidation or acquisition of all or

substantially all the outstanding shares or the property and assets of another corporation by purchase or otherwise, the amount of the earned surplus of the surviving, consolidating or acquiring corporation may include upon determination by the board of directors, but shall not exceed, the aggregate net earned surplus of the component corporations in existence immediately prior to such merger, consolidation or acquisition reduced by any distributions to shareholders or transfers of earned surplus to capital or paid-in surplus made in connection with the issue of shares or otherwise at the time of such merger, consolidation or acquisition.

Section 4. Section 271.375 of the Kentucky Revised Statutes is amended to read as follows:

(1) Each director or officer of a corporation created under the laws of this state, or his personal representative, shall be indemnified by the corporation against claims, liabilities, expenses, and costs actually and necessarily incurred by him or his estate in connection with, or arising out of, any action in which he is made a party by reason of his being, or having been, an officer or director, except in relation to matters as to which he shall be adjudged in such action to be liable for actual negligence or misconduct in the performance of his duties as such director or officer.

(2) The right of indemnification herein provided for shall also apply in respect of any amount paid in compromise of any such claim asserted against such director or officer (including expenses and costs actually and necessarily incurred in connection therewith); provided the board of directors of the corporation shall have first approved such proposed compromise settlement and determined that the director or officer involved was not guilty of actual negligence or misconduct; but in taking such action any director involved shall not be qualified to vote thereon, and if for this reason a quorum of the board cannot be obtained to vote on such matter it shall be determined by a committee of three disinterested shareholders appointed by the shareholders at a duly called special meeting or at a regular meeting.

(3) Expenses and costs (including attorney's fees) incurred by a director or officer in defending an action as aforesaid may be paid by the corporation in advance of the final disposition of

such action upon receipt of an undertaking by or on behalf of such director or officer to repay such amount unless it shall ultimately be determined that he is entitled to be indemnified by the corporation.

(4) The right of indemnification herein provided for shall not be exclusive of any other rights to which an officer, director, employe or agent may be entitled under any by-law, agreement, vote of shareholders, vote of disinterested directors or otherwise, both as to action in an official capacity and as to action in another capacity (including without limitation, serving at the request of the corporaton as a director, officer, employe or agent of another corporation, partnership, joint venture, trust or other enteprise or entity), and shall continue as to any person who has ceased to be a director, officer, employe or agent and shall inure to the benefit of any heirs, executors and administrators of any such person.

(5) A corporation created under the laws of this state shall have the power to purchase and maintain insurance on behalf of any person who is or was an officer, director, employe or agent of a corporation, or is or was serving at the request of a corporation as a director, officer, employe or agent of another corporation, partnership, joint venture, trust or other enterprise or entity, against any liability asserted against him or incurred by him in any such capacity or arising out of his status as such, whether or not such corporation would have the power to indemnify him against such liability under the provisions of this section.

Section 5. Section 271.465 of the Kentucky Revised Statutes is amended to read as follows:

Any two or more domestic corporations, formed for any purpose for which a corporation might be formed under this chapter [, or one or more domestic corporations and one or more foreign corporations with authority to carry on any business for the conduct of which a corporation might be organized under this chapter], may be merged into one of such domestic corporations, or consolidated into a new corporation to be formed under this chapter [, provided in the case of a foreign corporation it is authorized by the laws of the government under which it was formed to effect such merger or consolidation].

Section 6. A new section of Chapter 271 of the Kentucky Revised Statutes is created to read as follows:

One or more foreign corporations and one or more domestic corporations may be merged or consolidated in the following manner, if such merger or consolidation is permitted by the laws of the state under which each such foreign corporation is organized:

(1) Each domestic corporation shall comply with the provisions of this chapter with respect to the merger or consolidation, as the case may be, of domestic corporations and each foreign corporation shall comply with the applicable provisions of the laws of the state under which it is organized.

(2) If the surviving or new corporation, as the case may be, is to be governed by the laws of any state other than this State, it shall comply with the provisions of this chapter with respect to foreign corporations if it is to transact business in this State, and in every case it shall file with the Secretary of State of this State:

(a) An agreement that it may be served with process in this State in any proceeding for the enforcement of any obligation of any domestic corporation which is a party to such merger or consolidation and in any proceeding for the enforcement of the rights of a dissenting shareholder of any such domestic corporation against the surviving or new corporation;

(b) An irrevocable appointment of the Secretary of State of this State as its agent to accept service of process in any such proceeding;

(c) An agreement that it will promptly pay to the dissenting shareholders of any such domestic corporation the amount, if any, to which they shall be entitled under the provisions of this chapter with respect to the rights of dissenting shareholders; and

(d) An agreement that the courts of this State shall retain jurisdiction over that part of the corporate property within the limits of this State in all matters which may arise as if said merger or consolidation had not taken place.

The effect of such merger or consolidation shall be the same as in the case of the merger or consolidation of domestic corporations, if the surviving or new corporation is to be governed by

the laws of this State. If the surviving or new corporation is to be governed by the laws of any state other than this State, the effect of such merger or consolidation shall be the same as in the case of the merger or consolidation of domestic corporations except insofar as the laws of such other state provide otherwise.

At any time prior to the filing of the articles of merger or consolidation, the merger or consolidation may be abandoned pursuant to provisions therefor, if any, set forth in the plan of merger or consolidation.

Section 7. Section 271.470 of the Kentucky Revised Statutes is amended to read as follows:

The merger or consolidation of corporations may be effected only [as a result of a joint agreement entered into and recorded] as follows:

(1) The board of directors of each such corporations as desire to merge or consolidate may, by majority vote, enter into a joint agreement signed by such directors or a majority of them, prescribing the terms and conditions of merger or consolidation, the mode of carrying the same into effect, and the manner and basis of converting or exchanging the shares of each of the constituent corporations into or for shares, *obligations* or other securities of the surviving or new corporation *or of any other corporation or, in whole or in part, into cash or other property,* with such other details and provisions as are deemed necessary.

[(2)] The agreement shall be submitted to the shareholders of each of the merging or consolidating corporations, at a meeting thereof, duly called separately in the manner provided in KRS 271.295 for calling shareholders' meetings, and if at such meetings the holders of a majority of the voting power of the shareholders of each corporation vote for the adoption of the agreement, then that fact shall be certified on the agreement by the secretary of each corporation, and the agreement so adopted and certified shall be signed and acknowledged by the president or a vice-president, and the secretary or an assistant secretary, of each of the corporations.

[(3)] The agreement so adopted, certified and acknowledged shall be delivered to the Secretary of State, who, if the same has been signed and acknowledged according to law, shall

record it in his office. A copy thereof, endorsed by the Secretary of State, with the fact and time of recording in his office, shall be filed with and recorded by the clerk of the county court of each county in this state in which any of the corporate parties to the agreement has its registered office, and of each county in which any of the corporate parties has land, title to which will be transferred as a result of the merger or consolidation. The Secretary of State and the clerk of the county court shall each be paid a fee of $10.00 for recording such agreement.

(2) Any corporation owning at least ninety percent of the outstanding shares of each class of another corporation may merge such other corporation into itself without approval by a vote of the shareholders of either corporation. Its board of directors shall, by resolution, approve a plan of merger setting forth:

(a) The name of the subsidiary corporation and the name of the corporation owning at least ninety percent of its shares, which is hereinafter in this section designated as the surviving corporation, and

(b) The manner and basis of converting the shares of the subsidiary corporation into shares, obligations or other securities of the surviving corporation or of any other corporation or, in whole or in part, into cash or other property.

A copy of such plan of merger shall be mailed to each shareholder of record of the subsidiary corporation.

Articles of merger shall be executed in triplicate by the surviving corporation by its president or a vice president and by its secretary or an assistant secretary, and certified and acknowledged by the officers signing such articles, and shall set forth:

(a) The plan of merger;

(b) The number of outstanding shares of each class of the subsidiary corporation and the number of such shares of each class owned by the surviving corporation; and

(c) The date of the mailing to shareholders of the subsidiary corporation of a copy of the plan of merger.

On and after the thirtieth day after the mailing of a copy of the plan of merger to shareholders of the subsidiary corporation or upon the waiver thereof by the holders of all outstanding

shares triplicate originals of the articles of merger shall be delivered to the Secretary of State. If the Secretary of State finds that such articles conform to law, he shall, when all fees have been paid as in this chapter prescribed:

(a) Endorse on each of such triplicate originals the word "Filed," and the month, day and year of the filing thereof.

(b) File one of such triplicate originals in his office, and

(c) Issue a certificate of merger to which he shall affix one other triplicate original.

The certificate of merger, together with the two triplicate originals of the articles of merger shall be returned to the surviving corporation or its representative. One of such triplicate originals shall then be filed with and recorded by the clerk of the county court in the county in which is situated the registered office of the surviving corporation.

The Secretary of State shall be paid a fee of $10.00 for filing such articles of merger and a fee of $1.00 for issuing such certificate of merger. The clerk of the county court shall be paid a fee of $2.00 for recording any such triplicate original of the articles of merger.

Section 8. Section 271.480 of the Kentucky Revised Statutes is amended to read as follows:

(1) A merger of corporations *as provided in KRS 271.470 (1)* [into a domestic corporation] shall be effective when the joint agreement has been recorded in the office of the Secretary of State.

(2) A merger of corporations as provided in KRS 271.470 (2) shall be effective when the articles of merger have been filed in the office of the Secretary of State.

(3) [(2)] A consolidation of corporations *as provided in KRS 271.475* [into a domestic corporation] shall be effective when the joint agreement has been recorded in the office of the Secretary of State and when a certificate of incorporation of the new corporation has been insured by the Secretary of State.

Section 9. The following sections of the Kentucky Revised Statutes are hereby repealed: 271.185, and 271.255.

HB 658, AN ACT relating to circuit court reporters.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Section 28.450 of the Kentucky Revised Statutes is amended to read as follows:

(1) Reporters for circuit courts in counties containing a city of the second class and having two or more judges, shall receive for their services in taking stenographic notes, a salary of not less than five thousand dollars per annum, to be fixed by the fiscal court of said county and paid in monthly installments by the county.

(2) Reporters for circuit courts in counties containing a city of the second class and having two or more judges shall receive for making transcripts the same fee allowed notaries public, examiners and other officers under KRS 64.290(2).

(a) In criminal cases the fee shall be paid by the county, upon order of the presiding judge, if the transcript is ordered for the use of the Commonwealth's attorney. If the transcript is requested upon motion of the defendant, he shall pay the fee. If it appears that the defendant is not able to pay the fee, the court shall direct the fee to be paid by the county.

(b) In civil cases the fee shall be paid by the party in whose behalf the transcript is ordered, and shall be taxed as part of the costs of the action.

(3) Reporters described in subsection (2) shall receive for making a duplicate or carbon copy of a transcript the same fee allowed under KRS 64.290(3), to be paid for in the same manner as the original.

The Committee Amendment to **HB 658** is as follows:

Amend printed copy of House Bill 658 on page 1, lines 4 and 10, by:

on line 4, by deleting, by bracketing, the words "and having two or more judges,"

and on line 10 deleting, by bracketing, the words "and having two or more judges"

The Committee on Agriculture and Natural Resources re-

ported **HB 440, HB 711, SR 36** and **SB 67** with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 440, AN ACT relating to fish and wildlife resources.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Section 150.460 of the Kentucky Revised Statutes is amended to read as follows:

(1) No person, firm or corporation, whether acting in a private or public capacity, shall place or cause to be placed in any public waters any substance that might injure, interfere with or cause the waters to be unfit for the support of aquatic life. When any employe of a person, firm or corporation, in the course of his employment, places or causes to be placed any such substance in any public waters, his act shall be prima facie evidence of the guilt of both the employe and the employer, and either one or both may be punished as provided in subsection (4) of KRS 150.990. Each day that this section is violated shall constitute a separate offense. This section does not apply to employes or agents of the department acting in official capacity.

(2) No person shall use, or attempt to use any electrical device (fish finding devices excepted) of any type (such as telephone, or electrical leads from a magneto, or battery, or motor or any other type of electrical equipment) in any stream or body of water. This does not prevent the authorized employes or agents of the department from using this or any devices in research or investigational work [.]; *nor does it prevent the proper and otherwise lawful use of electrical or battery powered motors to propel boats used in fishing. The Department shall not prohibit the use of such motors in any body of water thirty or more acres in size.*

(3) No person, except employes or agents of the department, shall willfully place or attempt to place in any of the public waters of the state any substance which has a poisonous or intoxicating effect upon aquatic life.

(4) No person shall kill, injure, shock or stun or attempt to kill, injure, shock or stun any fishes by any explosive agent or

other device. This provision shall not apply to employes or agents of the department acting in an official capacity.

HB 711, AN ACT relating to agricultural products.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Section 260.775 of the Kentucky Revised Statutes is amended to read as follows:

As used in KRS 260.775 to 260.845, unless the context requires otherwise:

(1) "Buyer" shall include any person, partnership, corporation, association, organization or concern who receives milk or cream from producers and pays for it on the basis of amount, weight, or test, except that it does not include persons who buy milk or cream for their own consumption;

(2) "Buy," "buying," or "bought" shall mean the purchase of milk or cream from producers or their agents on basis of amount, weight or test;

(3) "Milk tester" shall include any person who tests milk or cream, bought by buyers from producers, to determine the constituents or quality of such milk or cream and uses, or submits for use, these tests in determining the price paid for it;

(4) "Sampler and weigher" shall include any person who samples, weighs, or measures milk or cream purchased by buyers from producers;

(5) "License to buy" means the license issued to buyers of milk or cream purchased from producers or their agents on basis of its volume, weight or test;

(6) "License to test" means the license issued to milk and cream testers;

(7) "License to sample and weigh" means the license issued to samplers and weighers;

(8) "Board" means the examining board;

(9) "Director" means the Director of the *Division of Weights and Measures, Department of Agriculture* [Agricultural

Experiment Station, College of Agriculture and Home Economics, University of Kentucky];

(10) "Producer" means any person, partnership, corporation, association, organization, or concern keeping milk cows for production of milk for sale or separation for the sale of cream;

(11) "Buying location" means each separate business place where nonpackaged milk or cream is purchased, such as cream buying station, milk receiving station, milk plant, creamery, cheese factory, condensery, or ice cream factory;

(12) "Stamped testware" means test bottles, test weights, and other test equipment inspected and stamped with an indelible and distinguishing mark by the *division* [experiment station];

(13) "Standard testware" means test bottles, test weights, pipettes and other measuring or calibrating devices approved by the director for use in Kentucky;

(14) "Cream station" means a place where cream is received, weighed, sampled, consolidated and shipped to a creamery or factory;

(15) "Milk equivalent" means the amount of whole milk required to make other dairy products; thus, to convert butterfats to milk equivalent, multiply the pounds of butterfat by twenty-five, for four percent milk.

Section 2. Section 260.810 of the Kentucky Revised Statutes is amended to read as follows:

(1) Test equipment including test bottles, pipettes, weights, scales and other measuring or calibrating devices used in testing milk and cream under the provisions of KRS 260.775 to 260.845 which are calibrated or adjusted so as to determine the results or accuracy of results of such test shall be inspected by the experiment station. Equipment found accurate shall be stamped, sealed or permanently marked so as to be distinguishable. The charge for initial inspection of test equipment shall be as prescribed by the director but not to exceed three cents per piece. Equipment to be stamped for use in Kentucky shall be limited to those items listed and described on an approved list published periodically by the director.

(2) The commissioner shall, by suitable regulation, provide for the random, periodic checking of persons and equipment employed in testing under this chapter, in order to maintain the highest possible degree of accuracy and impartiality in all testing facilities.

Section 3. Section 260.820 of the Kentucky Revised Statutes is amended to read as follows:

(1) In order to secure sufficient funds to execute the provisions of KRS 260.775 to 260.845, and to insure accuracy in the weighing, sampling, testing, correctly calculating payments, and keeping of records of milk and cream purchased or received from producers or their agents every milkshipping station, milk factory, cheese factory, condensery, ice cream factory or other milk processing or manufacturing plant, or person or agent, firm, company, association or corporation in Kentucky which purchases or receives milk or cream from producers or their agents during the month of May, *1970* [1961], and during the month of May of each and every year thereafter, shall pay to the Director of the *Division of Weights and Measure,* [University of Kentucky Agricultural Experiment Station,] for such fluid milk, or milk equivalent so delivered during the month of May, *1970* [1961], and the month of May of each and every year thereafter, a sum equal in amount to one cent per hundredweight for all milk or milk equivalent so purchased during such time. For the financing of the producers' share of this program the buyer, or his agent, shall charge one cent per hundredweight back to the producer association or cooperative and for those patrons who do not belong to producer associations or cooperatives, the buyer, association, or their agents shall make this charge directly to the individual producer. Butterfat purchased by such parties from such producers other than in the form of fluid milk shall be converted for the purpose of such deduction, into milk equivalent by multiplying the pounds of butterfat by twenty-five.

(2) Payments for the month of May, *1970* [1961], and for the months of May of each and every year thereafter, shall be made to the Director of the *Division of Weights and Measures,* [University of Kentucky Agricultural Experiment Station,] not later than the fifteenth day of June, *1970* [1961], and the fifteenth day of June of each and every year thereafter.

(3) The meaning and intent of this section is that all milk and cream regularly sold by producers, regardless of their residence, to licensed buyers in Kentucky shall be accounted for and the one cent per hundredweight paid to the experiment station. Unless a satisfactory substitute arrangement is made the deduction, assembly, accounting and payment shall be made by the concern that pays the producers. There is no intention to prevent transfer of relatively large quantities of milk from one buyer to another provided the records show how payments including the one cent per hundredweight referred to herein are handled and paid. In this connection all persons, firms, corporations, associations, or the agents for same, responsible under the terms and meaning of KRS 260.775 to 260.845, to collect, assemble, and make payments to the experiment station, are also required to submit certified reports with monies paid, on forms prescribed by the experiment station, covering the milk and butterfat in cream converted to milk equivalent.

Section 4. Section 260.840 of the Kentucky Revised Statutes is amended to read as follows:

The responsibility for advising the director concerning enforcement of KRS 260.775 to 260.845, for reporting violations, for conducting investigations and hearings pursuant to recommending revocation or suspension of a license, and for recommending rules and regulations to be issued by the director, is vested in an examining board. The Board shall be composed of the *Director of the Division of Weights and Measures,* [Head of the Dairy Department, College of Agriculture and Home Economics, University of Kentucky,] who shall be chairman, and three members appointed by the director. Two of the three appointed members shall be appointed from a list of four persons nominated by the dairy committee of the Kentucky Farm Bureau Federation and the third appointed member shall be appointed from a list of two persons nominated by the executive committee of the Dairy Products Association of Kentucky. The appointed members shall serve for a term of three years and until their successors are appointed and qualify; except that the first appointments made[e] under KRS 260.775 to 260.845 shall be for terms of one, two, and three years respectively as the directors shall designate. The board shall meet at such a time and place as the chairman shall designate. Three members present at any meeting

shall constitute a quorum, and upon the written request of any two members, the chairman shall call a meeting at the time and place requested. Board members not already employed by the state shall be compensated at the rate of fifteen dollars per day for board service and all members shall be reimbursed for any actual expense incurred in performing board duties.

Section 5. Section 260.845 of the Kentucky Revised Statutes is amended to read as follows:

All moneys resulting from the payment of license fees, inspection and stamping charges, or other charges provided for in KRS 260.775 to 260.845 shall be paid to the director and shall constitute a special and separate fund which shall not lapse and which shall be expended by the director under authority of the *Commissioner of the Department of Agriculture* [board of trustees of the University of Kentucky] on proper and separate vouchers. This fund shall be used primarily for discharging expenses incurred in enforcing KRS 260.775 to 260.845 and any portion of the fund not necessary to this purpose shall be used to support research pertaining to methods and equipment for sampling and testing dairy products or such other dairy research work as the director may recommend.

SCR 36, A CONCURRENT RESOLUTION Memorializing Congress to cede to Kentucky Green River from its confluence with the Ohio River to Brownsville and Mammoth Cave National Park in Edmonson County and the Barren River from its confluence with the Green River to Bowling Green, together with navigational facilities, which have not been maintained in accordance with the pact between the Commonwealth of Kentucky and Congress, at the time these rivers were ceded to the United States by the Commonwealth of Kentucky.

WHEREAS, Lock and Dam Number 5 Green River and Lock and Dam Number 1 Barren River were replaced about 1934 and although these lock facilities are capable of handling Ohio and Mississippi River type barges, each of these facilities lie dormant and unuseable because connecting facilities have been neglected and abandoned; and

WHEREAS, Dam Number 2 Green River is the only other

safe and properly maintained dam in the lock and dam system on these two rivers; and

WHEREAS, Dam Number 4 Green River actually washed out in May, 1965, because of sheer neglect, and other locks and dams are antiquated and not in keeping with the standards maintained elsewhere on the inland river system; and

WHEREAS, because of the failure of Congress to authorize and direct the U. S. Corps of Engineers to maintain, construct, and reconstruct these facilities in keeping with the aforesaid pact between this Commonwealth and Congress, and the Act of 1909 of Congress to implement the pact, only two of the facilities (Locks Number 1 and 2 Green River) out of the total of seven facilities are serving the navigation needs of Kentucky and the general public; and

WHEREAS, millions of tons of coal are barged out of Green River through these two property maintained facilities; and

WHEREAS, the tonnage last above mentioned is many times the amount anticipated by the U. S. Corps of Engineers and considered in its report to Congress in establishing a cost to benefit ratio, and in fact, is sufficient alone to have justified the entire navigation system on these Kentucky waters; and

WHEREAS, the Commonwealth of Kentucky purchased these privately owned facilities from the Green and Barren River Navigation Company, and ceded same to the Federal Government, in order to insure their free use by the general public in carrying on trade and commerce from this valley with other areas of the United States and the ports of the world, and further to insure the development of the rich natural resources in the valley; and

WHEREAS, because of the failure of Congress to keep its bargain vast and proven deposits of coal, rock asphalt, and other natural resources lie dormant in the valley; and

WHEREAS, there is not a mile of railroad in the areas where these natural resources are deposited, above the improved portion of Green River; and

WHEREAS, the justification of the maintained portion of Green River was based upon the need for low cost coal to be

barged to U. S. Government Installations, largely the result of the Atomic Energy Commission's need for 1.7 million tons of coal annually; and

WHEREAS, all of the navigation facilities on Green and Barren Rivers were operable when these rivers were ceded to the United States Government, whereas, now only two locking facilities out of the seven are operable for all practical purposes; and

WHEREAS, there are millions of tons of rock asphalt already quarried which would be available for farm to market roads throughout the inland river system and which could be cheaply transported by barge to build dust free and non-skid roads, and billions of tons of higher quality rock asphalt are in place which likewise would be available for high type roads and non-skid runways; and

WHEREAS, the world's largest coal steam electric energy plant is located in the valley; and human resources are available for industry, and the youth from the affected counties can no longer migrate to the already over-crowded industrial cities of America; and without low cost barge transportation, industry can not be established in the area to make use of these people and the electric energy which largely is being high-lined to other less favored localities. The area has been bypassed by the Chemical Industry etcetera because of this lack of navigation. It is unconscionable for the United States Congress to renege on its pact with the Commonwealth of Kentucky or that the Federal Government would be guilty of neglect causing great and irreparable damage to the people of this Commonwealth.

NOW, THEREFORE,

Be it resolved by the Senate of the General Assembly of the Commonwealth of Kentucky, the House of Representatives concurring therein:

1. That the Congress of the United States be and is hereby memorialized and requested to cede to the Commonwealth of Kentucky all navigation facilities located on the Green and Barren Rivers.

2. That the Clerk of the Senate be and hereby is directed to send a copy of this resolution to each member of the Ken-

tucky Congressional delegation, to the Secretary of the Army, to the Secretary of Defense, and to the Louisville office of the U. S. Corps of Engineers.

SB 67, AN ACT relating to restriction of the use of DDT for pest control.

WHEREAS, the widespread use of DDT in this Commonwealth will adversely affect future generations of Kentuckians; and

WHEREAS, the widespread use of DDT in this Commonwealth has had and will continue to have demonstrated adverse affect upon the wildlife of Kentucky; and

WHEREAS, the use of DDT in this Commonwealth and in this country has been demonstrably responsible for saving the lives of millions of citizens through the control of disease-bearing wildlife; and

WHEREAS, the General Assembly, recognizing both the inherent dangers and the lifesaving qualities of DDT, believes that the use of DDT in this Commonwealth should be restricted to those areas in which no effective substitute for DDT has been found;

NOW, THEREFORE,

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. A new section of KRS 217.540 to 217.640 is created to read as follows:

As used in this Act, "DDT" means dichlorodiphenyltrichloroethane, or any compound or mixture containing dichlorodiphenyltrichloroethane.

Section 2. A new section of KRS 217.540 to 217.640 is created to read as follows:

(1) No person or unit of government shall use DDT in this Commonwealth except for the following purposes: control of household pests, control of subterranean termites, control of bats, control of rats and mice, and any other use for which the director finds there is no safe substitute.

(2) No person shall sell at retail DDT in a quantity of more than one pound until the purchaser has in a signed writing stated that the DDT will be used only for one or more purposes authorized by subsection (1) of this section.

(3) Any person or unit of government which uses DDT for any purpose not authorized by subsection (1) of this section, and any person who purchases DDT which is used for any purpose not authorized by subsection (1) of this section, and any person who sells DDT at retail in violation of the provisions of subsection (2) of this section, shall be jointly and severally liable for treble damages to any person whose person or property is damaged by the misuse.

Section 3. A new section of KRS 217.540 to 217.640 is created to read as follows:

The director shall prepare and make available to persons who sell DDT at retail a form to be signed by purchasers of DDT, which shall contain the following:

(1) A warning that the careless use of DDT is extremely hazardous to the user and to other persons;

(2) Those purposes for which DDT may lawfully be used;

(3) A warning that unlawful use of DDT will subject the purchaser to treble damages for any harm caused by that misuse; and

(4) A statement that the DDT is to be used only for lawful purposes, which purposes shall be listed on the form.

Section 4. This Act shall become effective September 1, 1970.

The Committee on Health and Welfare reported **SB 7, SB 193, HB 523, HB 540** with Committee Amendment attached thereto, **HB 594, HB 687, HB 688** and **HB 693** with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

SB 7, AN ACT relating to gift of all or part of a human body after death for specific purposes.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. A new section of KRS Chapter 311 is created to read as follows:

(1) "Bank or storage facility" means a facility licensed, accredited, or approved under the laws of any state for storage of human bodies or parts thereof;

(2) "Decedent" means a deceased individual and includes a still-born infant or fetus;

(3) "Donor" means an individual who makes a gift of all or part of his body;

(4) "Hospital" means a hospital licensed, accredited, or approved under the laws of any state; includes a hospital operated by the United States government, a state, or a subdivision thereof, although not required to be licensed under state laws;

(5) "Part" means organs, tissues, eyes, bones, arteries, blood, other fluids and any other portions of a human body;

(6) "Person" means an individual, corporation, government or governmental subdivision or agency, business trust, estate, trust, partnership or association, or any other legal entity;

(7) "Physician" or "surgeon" means a physician or surgeon licensed or authorized to practice under the laws of any state;

(8) "State" includes any state, district, commonwealth, territory, insular possession, and any other area subject to the legislative authority of the United States of America.

Section 2. A new section of KRS Chapter 311 is created to read as follows:

(1) Any individual of sound mind and eighteen years of age or more may give all or any part of his body for any purpose specified in Section 3 of this Act, the gift to take effect upon death.

(2) Any of the following persons, in order of priority stated, when persons in prior classes are not available at the time of death, and in the absence of actual notice of contrary indications by the decedent or actual notice of opposition by a

member of the same or a prior class, may give all or any part of the decedent's body for any purpose specified in Section 3 of this Act:

(a) The spouse,

(b) An adult son or daughter,

(c) Either parent,

(d) An adult brother or sister,

(e) A guardian of the person of the decedent at the time of his death,

(f) Any other person authorized or under obligation to dispose of the body.

(3) If the donee has actual notice of contrary indications by the decedent or that a gift by a member of a class is opposed by a member of the same or a prior class, the donee shall not accept the gift. The persons authorized by Subsection (2) of this Section may make the gift after or immediately before death.

(4) A gift of all or part of a body authorizes any examination necessary to assure medical acceptability of the gift for the purposes intended.

(5) The rights of the donee created by the gift are paramount to the rights of others except as provided by Section 7 (4) of this Act.

Section 3. A new section of KRS Chapter 311 is created to read as follows:

The following persons may become donees of gifts of bodies or parts thereof for the purposes stated:

(1) Any hospital, surgeon, or physician, for medical or dental education, research, advancement of medical or dental science, therapy, or transplantation; or

(2) Any accredited medical or dental school, college or university for education, research, advancement of medical or dental science, or therapy; or

(3) Any bank or storage facility, for medical or dental education, research, advancement of medical or dental science, therapy, or transplantation; or

(4) Any specified individual for therapy or transplantation needed by him.

Section 4. A new section of KRS Chapter 311 is created to read as follows:

(1) A gift of all or part of the body under Section 2 (1) of this Act may be made by will. The gift becomes effective upon the death of the testator without waiting for probate. If the will is not probated, or if it is declared invalid for testamentary purposes, the gift, to the extent that it has been acted upon in good faith, is nevertheless valid and effective.

(2) A gift of all or part of the body under Section 2 (1) of this Act may also be made by document other than a will. The gift becomes effective upon the death of the donor. The document, which may be a card designed to be carried on the person, must be signed by the donor in the presence of two witnesses who must sign the document in his presence. If the donor cannot sign, the document may be signed for him at his direction and in his presence in the presence of two witnesses who must sign the document in his presence. Delivery of the document of gift during the donor's lifetime is not necessary to make the gift valid.

(3) The gift may be made to a specified donee or without specifying a donee. If the latter, the gift may be accepted by the attending physician as donee upon or following death. If the gift is made to a specified donee who is not available at the time and place of death, the attending physician upon or following death, in the absence of any expressed indication that the donor desired otherwise, may accept the gift as donee. The physician who becomes a donee under this subsection shall not participate in the procedures for removing or transplanting a part.

(4) Notwithstanding Section 7 (2) of this Act, the donor may designate in his will, card, or other document of gift the surgeon or physician to carry out the appropriate procedures. In the absence of a designation or if the designee is not available, the donee or other person authorized to accept the gift may employ or authorize any surgeon or physician for the purpose.

(5) Any gift by a person designated in Section 2 (2) of this Act shall be made by a document signed by him or made by his telegraphic, recorded telephonic, or other recorded message.

Section 5. A new section of KRS Chapter 311 is created to read as follows:

If the gift is made by the donor to a specified donee, the will, card, or other document, or an executed copy thereof, may be delivered to the donee to expedite the appropriate procedures immediately after death. Delivery is not necessary to the validity of the gift. The will, card, or other document, or an executed copy thereof, may be deposited in any hospital, bank or storage facility or registry office that accepts it for safekeeping or for facilitation of procedures after death. On request of any interested party upon or after the donor's death, the person in possession shall produce the document for examination.

Section 6. A new section of KRS Chapter 311 is created to read as follows:

(1) If the will, card, or other document or executed copy thereof, has been delivered to a specified donee, the donor may amend or revoke the gift by:

(a) The execution and delivery to the donee of a signed statement, or

(b) An oral statement made in the presence of two persons and communicated to the donee, or

(c) A statement during a terminal illness or injury addressed to an attending physician and communicated to the donee, or

(d) A signed card or document found on his person or in his effects.

(2) Any document of gift which has not been delivered to the donee may be revoked by the donor in the manner set out in Subsection (1) of this section, or by destruction, cancellation, or mutilation of the document and all executed copies thereof.

(3) Any gift made by a will may also be amended or re-

voked in the manner provided for amendment or revocation of wills, or as provided in Subsection (1) of this section.

Section 7. A new section of KRS Chapter 311 is created to read as follows:

(1) The donee may accept or reject the gift. If the donee accepts a gift of the entire body, he may, subject to the terms of the gift, authorize embalming and the use of the body in funeral services. If the gift is of a part of the body, the donee, upon the death of the donor and prior to embalming, shall cause the part to be removed without unnecessary mutilation. After removal of the part, custody of the remainder of the body vests in the surviving spouse, next of kin, or other persons under obligation to dispose of the body.

(2) The time of death shall be determined by a physician who tends the donor at his death, or, if none, the physician who certifies the death. The physician shall not participate in the procedures for removing or transplanting a part.

(3) A person who acts in good faith in accord with the terms of this Act or with the anatomical gift laws of another state is not liable for damages in any civil action or subject to prosecution in any criminal proceeding for his act.

(4) The provisions of this Act are subject to the laws of this state prescribing powers and duties with respect to autopsies.

Section 8. A new section of KRS Chapter 311 is created to read as follows:

This Act shall be so construed as to effectuate its general purpose to make uniform the law of those states which enact it.

Section 9. A new section of KRS Chapter 311 is created to read as follows:

This Act may be cited as the Uniform Anatomical Gift Act.

Section 10. Sections 311.352, 311.354, and 311.356 of the Kentucky Revised Statutes are repealed.

SB 193, AN ACT relating to venereal disease.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. A new section of Chapter 214 of the Kentucky Revised Statutes is created to read as follows:

Any physician, upon consultation by a minor as a patient, with the consent of such minor patient, may make a diagnostic examination for venereal disease, and may prescribe for and treat such minor patient for venereal disease, all without the consent of or notification to the parent, parents, or guardian of such minor patient, or to any other person having custody of such minor patient. In any such case the physician shall incur no civil or criminal liability by reason of having made such diagnostic examination or rendered such treatment, but such immunity shall not apply to any negligent acts or omissions.

HB 523, AN ACT relating to membership on air pollution control board.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Section 77.070 of the Kentucky Revised Statutes is amended to read:

(1) In a county containing a city of the first or second class, the air pollution control board of the air pollution control district shall consist of *nine* [seven] members, *four* [three] of whom shall be appointed by the County Judge, subject to the approval of the fiscal court, and *five* [four] of whom shall be appointed by the Mayor of the city of the first or second class within such county. The Mayoral appointments shall be subject to the approval of the legislative body of the city.

(2) The Mayor shall appoint, subject to the approval of the legislative body of the city, one member for a term of one year, one member for a term of two years, one member for a term of three years, and one member for a term of four years, and the County Judge, subject to the approval of the fiscal court, shall appoint one member for a term of two years, one member for a term of three years, and one member for a term of four years, and upon the expiration of each of said terms respectively,

and thereafter, the term of each of such members shall be four years, and until their successors are appointed and qualified.

(3) All air pollution control board members appointed pursuant to this section must be freeholders within the district; those appointed by the County Judge must be residents of such county, and those appointed by the Mayor must be residents of such city.

(4) Not more than *five* [four] of the *nine* [seven] board members appointed pursuant to this section shall be of the same political party affiliation, nor shall an officer or employee of such city or county, whether holding a paid or unpaid position, be eligible for appointment to the board.

(5) A member of the air pollution control board is eligible to succeed himself. A vacancy in the membership shall be filled by an appointee of the Mayor or of the County Judge as the case may be, for the unexpired portion of the term. An appointee to a vacancy shall have the same qualifications as any regularly appointed member.

(6) Any member of the board appointed by a Mayor may be removed, for cause, after a hearing, by the legislative body of such city, and after ten days notice in writing shall have been given to the member, which notice shall embrace the charges preferred against him. At the hearing he may be represented by counsel. The finding of the legislative body shall be final and removal results in vacancy in such office.

(7) Any member of the board appointed by a County Judge may be removed, for cause, after a hearing, by the Fiscal Court of such County, and after ten days notice in writing shall have been given to the member, which notice shall embrace the charges preferred against him. At the hearing he may be represented by counsel. The finding of the Fiscal Court shall be final and removal results in vacancy in such office.

(8) As used in this section "Mayor" means the chief executive of the city whether the official designation of his office is Mayor, City Manager, or otherwise.

HB 540, AN ACT relating to air pollution control districts.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Section 224.450 of the Kentucky Revised Statutes is amended to read as follows:

(1) Each county which pursuant to the provisions of KRS Ch. 77 has *activated an air pollution control district* [established], or subsequent to the enactment of KRS 224.310 to 224.460 and 224.991 will *activate a local air pollution control district* [establish a local Air Pollution Control Program], shall submit a synopsis of said *district's* program *to the commission* [together with such standards and procedures as are enacted by regulation to the state department] for *its* approval within a period of ninety days from the enactment hereof, or a period of ninety days of the *activation* [establishment] of said *district* [local program].

(2) If, after review by the commission, *and a public hearing held in the county activating a district, the commission determines* [it is determined] that the *air pollution control district has adopted standards and procedures and has sufficient staff to implement the program* [county in question has established an Air Pollution Control Program meeting state regulatory standards in the area to which such program relates, and that such program will be administered] in a manner consistent with the objectives of KRS 224.310 to 224.460 and 224.991, *concurrent* [the] jurisdiction *may be granted the air pollution control district for the administration and enforcement* [for the purposes] of KRS 224.310 to 224.460, and 224.991. [shall be ceded to the administrative agency for the local program, provided, however, that the commission may reassume said jurisdiction when after formal hearing it is determined that the local program is not meeting the state standards.] *The air pollution control shall adopt no regulation or standard less stringent than a regulation or standard adopted by the commission. All regulations and standards shall be submitted to the commission for prior approval. Progress reports shall be made to the commission upon request. If the commission shall determine that the district program is not being administered in accordance with the statutes and regulations of the commission or the district, the grant of authority may be suspended, or limited by order of the commission, but only revoked after a public hearing has been held in the district.*

(3) Nothing herein shall reduce in any way the authority of the commission to administer and enforce the provisions of KRS 224.310 to 224.460 and 224.991.

(4) When concurrent jurisdiction has been granted, the commission shall be empowered to enforce any and all regulations or standards in any district.

(5) In cases where jurisdiction has been ceded to local authority the commission shall possess concurrent jurisdiction.

(6) Enforcement actions taken by the district shall be the duty of the local Commonwealth, County, and City Prosecuting Attorney, if any, in lieu of the Attorney General as set out in KRS 224.991.

The Committee Amendment to **HB 540** is as follows:

Amend printed copy of House Bill 540 on page 2, line 17, by: adding the word *"district"* after the word *"control"* and before the word *"shall."*

And on page 2, line 22 by: adding: after the word *"determine"*, *", after hearings with notice,"* and before the word *"that"*.

And on page 3, line 2 by: Changing *KRS 22.310* to *KRS 224.310.*

HB 594, AN ACT relating to mental health.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Subsection (1) of Section 18.140 of the Kentucky Revised Statutes is amended to read as follows:

(1) The classified service to which KRS 18.110 to 18.340 shall apply and comprise all positions in the state service now existing or hereafter established, except the following:

(a) The General Assembly and employes of the General Assembly including the employes of the Legislative Research Commission;

(b) Officers elected by popular vote and persons appointed to fill vacancies in elective offices;

(c) Members of boards and commissions;

(d) Officers and employes on the staff of the Governor and the Lieutenant Governor;

(e) Heads of departments, including those appointed by boards and commissions except as provided in KRS 18.130;

(f) One principal assistant or deputy for each head of a department except as provided in KRS 18.130;

(g) One additional principal assistant or deputy for each head of a department in those instances in which the nature of the functions, size or complexity of the agency involved are such that the Personnel Board may approve such an additional principal or deputy on petition approved by the Commissioner of Personnel;

(h) Division directors, except as provided in KRS 18.130, subject to the provisions of KRS 18.150;

(i) Physicians employed as such by the State Tuberculosis Hospital Commission *and the Department of Mental Health;*

(j) One private secretary for each head of a department and for each principal assistant or deputy not included in the classified service;

(k) The Judicial Department, referees, receivers, jurors, and notaries public;

(l) Officers and members of the staffs of state universities and colleges and student employes of such institutions, provided that said institutions shall establish and implement a personnel system embodying the principles in KRS 18.110 to 18.340 applicable to faculty members and staff; and officers, teachers, and employes of local boards of education;

(m) Patients or inmates employed in state institutions;

(n) Persons employed in a professional or scientific capacity to make or conduct a temporary or special inquiry, investigation, or examination on behalf of the General Assembly, or a committee thereof, or by authority of the Governor;

(o) Unskilled laborers, truck drivers and other light equipment operators, excepting institutional employes of the unskilled laborer category, and seasonal and emergency employes. The Personnel Board shall determine the positions within these categories and shall promulgate rules relating thereto;

(p) Officers and members of the state militia;

(q) Peace officers in the Department of Public Safety, provided that said department shall maintain a personnel system embodying the principles herein applicable to peace officers;

(2) Nothing in KRS 18.110 to 18.340 is intended, or shall be construed, to alter or amend the provisions of KRS 150.022 and KRS 150.061.

(3) Provided, however, that nothing herein is intended or shall be construed to affect any position which must be included in the classified service as a prerequisite to the grant of federal funds to a state agency.

(4) Classified employes with status promoted to positions exempted from classified service may, upon termination of their employment in the exempted service, revert to their classified status, but not necessarily to a particular position in the classified service.

(5) Nothing herein shall be construed as precluding appointing officers from filling nonclassified positions in the manner in which positions in the classified service are filled except as otherwise provided herein.

Section 2. Section 210.290 of the Kentucky Revised Statutes is amended to read as follows:

(1) The Department of Mental Health may be appointed and act as executor, administrator, guardian, or committee, as provided in this section. In this capacity the department may transact business in the same manner as any individual and for this purpose may sue and be sued in any of the courts of the state. Bond shall not be required of the department.

(2) Whenever a person who has been adjudged incompetent and committed to the department for placement in a state mental hospital or institution for the mentally defective has no committee, the department, acting through its designated officer, may apply to the county court of the county in which the adjudication was made for its appointment as committee for such incompetent person.

(3) Upon the death of a person for whom the department has been appointed committee, or upon the death of a person

who has been committed to the department leaving an estate and having no relatives at the time residing within the state, the department may apply for appointment as administrator and upon appointment shall close the administration of the estate.

(4) The department may invest funds held as fiduciary in bonds or other securities guaranteed by the United States, and may sell or exchange such securities in its discretion.

(5) The department shall receive such fees for its fiduciary services as provided by law. These fees shall be placed in a trust and agency account, from which may be drawn expenses for filing fees, court costs and other expenses incurred in the administration of estates. Claims of the department against the estates shall be considered in the same manner as any other claim.

(6) An officer designated by the commissioner may act as legal counsel for any patient in a state mental hospital or institution against whom a suit of any nature has been filed, without being appointed as committee.

(7) Patients hospitalized pursuant to KRS Ch. 202 who are not adjudged mentally incompetent may authorize the Department of Mental Health to handle personal funds received by them at the hospital in the same manner as prescribed in subsections (4) and (5).

Section 3. A new section of Chapter 210 of the Kentucky Revised Statutes is created to read as follows:

The Commissioner of Mental Health may purchase up to seven days of treatment for involuntarily hospitalized patients in affiliated hospitals at a rate not to exceed cost plus five per cent. Charges for such treatment shall be recoverable from the patient or his relatives under KRS 210.310 and KRS 210.320.

Section 4. A new section of Chapter 210 of the Kentucky Revised Statutes is created to read as follows:

(1) Any regional community mental health board established pursuant to KRS 210.380 and recognized by the commissioner of the Department of Mental Health may be appointed and act as executor, administrator, guardian or committee, as provided in this section. In this capacity, the board may trans-

act business in the same manner as any individual and for this purpose may sue and be sued in any of the courts of the state. Bond shall not be required of the board.

(2) Whenever a person who has been adjudged incompetent and requires mental health services has no committee, the board, acting through its designated officer, may apply to the county court of the county in which the adjudication was made for its appointment as committee for such incompetent person. The board may also apply to be substituted as committee for an incompetent whose committee is the Department of Mental Health and who has been discharged or whose discharge is imminent from a Department of Mental Health facility.

(3) Upon the death of a person for whom the board has been appointed committee leaving an estate and having no relatives at the time residing within the state, the board may apply for appointment as administrator and upon appointment shall close the administration of the estate.

(4) The board may invest funds held as fiduciary in bonds or other securities guaranteed by the United States, and may sell or exchange such securities in its discretion.

(5) The board shall receive such fees for its fiduciary services as provided by law. These fees shall be placed in a trust and agency account, from which may be drawn expenses for filing fees, court costs and other expenses incurred in the administration of estates. Claims of the board against the estates shall be considered in the same manner as any other claim.

Section 5. Section 210.410 of the Kentucky Revised Statutes is amended to read as follows:

The Commissioner of Mental Health is hereby authorized to make grants to assist any combination of cities and counties, or nonprofit corporations in the establishment and operation of regional community mental health programs to provide at least four of the following [six] services:

(1) Collaborative and cooperative services with public health and other groups for programs of prevention of mental illness, mental retardation, and other psychiatric disabilities;

(2) Informational and educational services to the general public, and lay and professional groups;

(3) Consultative services to schools, courts and health and welfare agencies, both public and private;

(4) In-patient treatment services;

(5) Out-patient diagnostic and treatment services;

(6) Rehabilitative services for patients suffering from mental or emotional disorders, mental retardation or other psychiatric conditions, particularly those who have received prior treatment in an in-patient facility ;[.]

(7) Detoxification units to provide appropriate medical, psychological and social services for intoxicated persons, including but not limited to, initial examination, diagnosis, classification and referral;

(8) Out-patient treatment services for persons with drug abuse and addiction problems and programs of drug abuse and addiction education.

Section 6. A new section of Chapter 210 of the Kentucky Revised Statutes is created to read as follows:

(1) The State Department of Mental Health shall conduct research into all aspects of dangerous drugs as defined in KRS 217.725 in coordination with the Kentucky Board of Pharmacy.

(2) The Department of Mental Health may authorize persons engaged in research on the use and effects of dangerous substances to withhold the names and other identifying characteristics of persons who are subjects of such research. Persons who obtain this authorization may not be compelled in any state civil, criminal, administrative, legislative, or other proceeding to identify the subjects of research for which such authorization was obtained.

(3) The Department of Mental Health may authorize the possession and distribution of controlled dangerous substances by persons engaged in research. Persons who obtain this authorization shall be exempt from state prosecution for possession and distribution of dangerous substances to the extent authorized by the Department of Mental Health.

Section 7. A new section of Chapter 210 of the Kentucky Revised Statutes is created to read as follows:

Mental Health work training centers shall form non-profit corporations in order to administer funds received from work done by the patients trained in these centers. The Board of Directors shall include the Commissioner of the Department of Mental Health, the Superintendent of the facility where the center is located, the director of the work training center, and the director of the Bureau of Rehabilitation Services, Department of Education.

Section 8. A new section of Chapter 210 of the Kentucky Revised Statutes is created to read as follows:

It is the intent of this section to create a mental health taxing district by operation of law in each county coming under the provisions of KRS 210.370 to 210.460, in order to implement KRS 210.460.

(1) In all counties which have participated in the establishment of a regional community mental health services program under KRS 210.380, a mental health taxing district is hereby declared to be created.

(2) The members of the community mental health board recognized by the Commissioner of Mental Health pursuant to KRS 210.380 shall, by virtue of their office, constitute and be the governing board of the mental health taxing district and shall perform the duties attendant thereto in addition to their duties as members of the community mental health board. Officers of the community mental health board shall be the officers of the mental health taxing district.

Section 9. A new section of Chapter 210 of the Kentucky Revised Statutes is created to read as follows:

(1) If, after the establishment of the mental health taxing district as provided for in this section, KRS 210.460, and other statutory provisions, the tax levying authorities in member areas of the district, in the opinion of the community mental health board, do not appropriate an amount sufficient to meet the needs of the Mental Health Services Program and Clinic, as established pursuant to KRS 210.370, the community mental

health board, acting as the governing body of the taxing district shall, with the approval of the State Department of Mental Health, request the fiscal courts in each of the member areas which have not contributed a sufficient proportionate share of the cost of the program, to impose a special ad valorem mental health tax in such amount that it deems sufficient, but not in excess of four cents per one hundred dollars of full assessed valuation. The fiscal court may, upon receipt of a duly certified copy of said request, include in the next ad valorem tax levy said special mental health tax imposed by the mental health board which shall be in addition to all other county ad valorem taxes. If levied by the fiscal court, said special mental health tax shall be collected in the same manner as are other county ad valorem taxes and turned over to the Community Mental Health Board to be used for the maintenance and operation of the mental health services program and clinic as provided in KRS 210.460. No appropriation for a mental health services program and clinic established under KRS 210.370 shall be reduced or eliminated on the grounds that a special tax has been levied where the community mental health board requested the amount levied as a necessary supplement to that appropriation. Taxing districts organized pursuant to this section shall not be subject to the provisions of the compensating tax rate as defined by KRS 132.010 nor to Acts 1965, 1st ex. s., c. 2.

(2) Nothing contained herein shall be construed as precluding any city or county from appropriating or allocating funds in any other manner for the support of the regional mental health services program and clinic, pursuant to KRS 210.460, or any other statutory provision.

Section 10. Section 210.150 of the Kentucky Revised Statutes is repealed.

HB 687, AN ACT relating to blood banks.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. A new section of Chapter 216 of the Kentucky Revised Statutes is created to read as follows:

(1) It is hereby declared to be unlawful for any person,

partnership, corporation, association, or other group to operate a blood bank for commercial profit in the Commonwealth of Kentucky.

(2) Any person, or officer or employe of any partnership, corporation, association, or other group, who operates a blood bank in violation of the provisions of this Act shall be fined not less than $100 nor more than $1,000 or be imprisoned in the county jail for not more than thirty days, or both. Each week of violation shall be deemed a separate offense.

(3) Any partnership, corporation, association, or other group who operates a blood bank in violation of the provisions of this Act shall be fined not less than $500 nor more than $5,000. Each week of violation shall be deemed a separate offense.

HB 688, AN ACT relating to tuberculosis control.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. A new section of Chapter 215 of the Kentucky Revised Statutes is created to read as follows:

This Act may be cited as the "State Tuberculosis Control Act of 1970."

Section 2. A new section of Chapter 215 of the Kentucky Revised Statutes is created to read as follows:

There shall be a merger of the State Tuberculosis Hospital Commission and the Tuberculosis Control Section of the State Department of Health to create a Division of Tuberculosis Control, with authority to relate to all aspects of tuberculosis control, including prevention, case finding, treatment and hospitalization, and to provide for the creation of a Tuberculosis Commission.

Section 3. A new section of Chapter 215 of the Kentucky Revised Statutes is created to read as follows:

The Director of the Division shall be a duly qualified physician, licensed to practice medicine in Kentucky and shall have had at least five years experience in the diagnosis, treatment, and control of tuberculosis. The State Department of

Health, through its Division of Tuberculosis Control, shall discharge all duties relating to all matters of tuberculosis control, including but not limited to the following:

(1) The operation of all hospitals previously operated by the State Tuberculosis Hospital Commission, or such of them as it determines to be necessary for the care of persons needing treatment for tuberculosis;

(2) The treatment of persons having tuberculosis in hospitals not operated by the Commonwealth, by contract or other suitable arrangement and the payment therefor;

(3) The construction of additional facilities for the treatment of tuberculosis in cooperation with, or as a part of, privately or publicly owned hospitals;

(4) The operation of a system of out-patient clinics and x-ray facilities, adequately supported by high quality laboratory facilities;

(5) The provision of training for employees;

(6) The supervision of activities of all local health departments regarding tuberculosis control;

(7) The recommendation of regulations to the State Board of Health for adoption for tuberculosis control;

(8) The maintenance of a central register of all known cases of tuberculosis in the Commonwealth, and such local registers as are desirable, and the collection, collation, analysis and publication of statistics and other information;

(9) The establishment and supervision of tuberculosis programs in cooperation with the Department of Mental Health, Department of Corrections, Department of Education, Department of Economic Security and other state agencies within their respective jurisdictions;

(10) The establishment within the Tuberculosis Control Division of appropriate social service and financial responsibility appraisal methods to insure that tuberculosis patients or suspects receive all possible support from third-party payors, or from the Medical Assistance Program before becoming a charge against the Tuberculosis Control Funds of the Commonwealth;

(11) The dissemination of educational materials to the citizens of the Commonwealth regarding tuberculosis and its control;

(12) The initiation of special programs and demonstrations in cooperation with agencies of the Federal Government, universities, voluntary agencies and other individuals or corporations;

(13) The provision of direct assistance to local health departments, to other agencies of State government, and to other organizations to assist them in carrying out programs of tuberculosis control;

(14)Except as otherwise provided by law, to do all other things reasonably necessary to carry out the intent of this Act.

Section 4. A new section of Chapter 215 of the Kentucky Revised Statutes is created to read as follows:

(1) The Tuberculosis Commission shall consist of nine members. The Commissioner of Health shall be an ex officio member and the other eight members shall be appointed by the Governor for terms of four years each or until their successors are appointed and qualify, except that of the four members first appointed by the Governor, one shall be appointed for a term of one year, one shall be appointed for a term of two years, one shall be appointed for a term of three years, and one shall be appointed for a term of four years. Except as hereinabove provided, the appointive members shall include: four physicians appointed from a list of three nominees for each position submitted by the Kentucky Medical Association; one local health officer, appointed from a list of three nominees submitted by the Commissioner of Health; one registered nurse, appointed from a list of three nominees submitted by the Kentucky Nurses' Association; one member appointed from a list of three nominees submitted by the Kentucky Tuberculosis and Respiratory Disease Association and one citizen at large. Provided, however, that the four appointed members of the former State Tuberculosis Hospital Commission shall immediately, upon the effective date of this Act, become members of the Tuberculosis Commission for the remainder of their appointed terms and shall be eligible for reappointment once. Appointive members shall not be eligible to serve more than two consecutive terms.

(2) The Commission shall annually elect a chairman from its membership, for a term of one year. No member shall serve more than two successive terms as chairman. The Commission shall meet regularly and at the call of the chairman or upon written request of a majority of the Commission members, at such time and place as is designated in the call.

(3) The members of the Commission, other than the Commissioner of Health, shall be reimbursed for their actual and necessary expenses in attending meetings of the Commission and otherwise in performing their duties.

(4) The function of the Commission shall be to study all aspects of tuberculosis control and to propose regulations to the State Board of Health to further the policies and objectives of this Act.

Section 5. A new section of Chapter 215 of the Kentucky Revised Statutes is created to read as follows:

Sections 5 to 9 of this Act may be referred to as the "Kentucky Recalcitrant Tuberculosis Patient Control Law." The General Assembly hereby recognizes and declares that persons with communicable tuberculosis have a legal duty and responsibility to the public to take reasonable precautions to prevent the spread of the disease.

Section 6. A new section of Chapter 215 of the Kentucky Revised Statutes is created to read as follows:

(1) No person diagnosed as having tuberculosis and having been so informed shall refuse to submit himself for further examination to determine the communicability of his disease upon reasonable request by the State or local health department.

(2) No person diagnosed as having communicable tuberculosis and having been so informed shall refuse to take such reasonable precautions, including hospitalization if indicated, as may be required by the local health department or by the regulations of the State Board of Health to protect the public from infection.

Section 7. A new section of Chapter 215 of the Kentucky Revised Statutes is created to read as follows:

Whenever a health officer, physician, member of the family or other person has reasonable cause to suspect that a person has tuberculosis and that such person has failed to comply with the provisions of this Act he may make an affidavit before any court or judge thereof reciting such facts and circumstances and the court or judge thereof shall thereafter direct that the person suspected of being afflicted with communicable tuberculosis submit to an examination either by a licensed practicing physician of his own choice at his own expense or by a physician appointed by the local health department at the expense of the county. The examination shall include both physical and laboratory examinations and shall be conducted according to such rules and regulations as may be promulgated by the State Board of Health and shall be reported upon forms furnished by said board.

Section 8. A new section of Chapter 215 of the Kentucky Revised Statutes is created to read as follows:

(1) If the court shall find from the evidence or upon a plea of guilty that the person being proceeded against has not submitted to an examination to determine the communicability of his disease as required by Section 6 (1) of this Act ,the court shall enter an order directing that an examination be conducted as provided in this Act.

(2) If the court shall find from the evidence or upon a plea of guilty that the person being proceeded against has been diagnosed as having communicable tuberculosis and has refused to take such reasonable precautions, including hospitalization if indicated, as may be required by the local health department or by the regulations of the State Board of Health to protect the public from infection, as provided in Section 6 (2) of this Act, he shall be guilty of a misdemeanor and shall be punished by a fine of five hundred dollars or by imprisonment for six months, or both. Provided, however, that the court may place the defendant on probation provided he consents to enter, and does forthwith enter an institution approved by the court for treatment of such condition and remains therein until medically discharged by said institution. Failure of the defendant to do so shall automatically revoke his probation and require the prompt entry of judgment and service of sentence in the county jail if suitable facilities are available or to such other facilities as may be

established or contracted for by the State Department of Health for this purpose.

Section 9. A new section of Chapter 215 of the Kentucky Revised Statutes is created to read as follows:

The city, county and Commonwealth's attorneys and the Attorney General, within their respective jurisdictions, shall represent the affiant in the enforcement of the provisions of this Act. However, a county health department may employ an attorney to represent it in proceedings under this Act and pay such attorney reasonable compensation therefor from any unexpended funds at its disposal.

Section 10. A new section of Chapter 215 of the Kentucky Revised Statutes is created to read as follows:

(1) It shall be the responsibility of every physician, hospital, nursing home, personal care home, or other institution or any other person who has knowledge of any person who has tuberculosis, to report such to the local health department in accordance with the rules and regulations of the State Board of Health.

(2) No legal action shall lie against any physician, hospital employee, laboratory employee, or other person who, in good faith, reports a case of tuberculosis or the isolation of the tubercule bacillus as provided in this Act.

Section 11. Sections 215.005, 215.006, 215.007, 215.008, 215.009, 215.012, 215.061, 215.062, 215.063, 215.064, 215.066, 215.067, 215.068, 215.069, 214.030, 214.330, 214.340, 214.350, 214.360, 214.370 and subsections (13) and (14) of 214.990 of the Kentucky Revised Statutes are repealed.

Section 12. This Act shall become effective July 1, 1970.

HB 693, AN ACT relating to psychologists.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Section 319.050 of the Kentucky Revised Statutes is amended to read as follows:

Before granting a license to practice psychology and to use the title "Psychologist" the board shall require any applicant therefor to pass a written examination in psychology to be given at such time and place and under such supervision as the board prescribes. Such applicant shall pay a fee of not to exceed *$100* [fifty dollars] to the board of examiners at the time of application. The applicant shall satisfy the board that he

(1) is at least twenty-one years of age;

(2) is of good moral character;

(3) is a citizen of the United States or has legally declared his intention of becoming one;

(4) has received a degree of Doctor of Philosophy or its equivalent in psychology from an educational institution rated as acceptable as provided in KRS 319.040;

(5) has had at least one year's experience of a type satisfactory to the board in the practice of psychology; and

(6) has not within the preceding six months failed any examination given by the board. The board shall grade the examinations returned by the candidates and shall keep them for at least one year. Any unsuccessful candidate may, upon written request to the board, arrange to discuss his performance on the examination.

Section 2. Section 319.071 of the Kentucky Revised Statutes is amended to read as follows:

Licenses must be renewed every three years on or before the anniversary date of issue or renewal. A license holder shall pay to the board of examiners a renewal fee not to exceed *seventy-five* [twenty-five] dollars and shall receive a renewal license. Certificates of qualification must be renewed every three years on or before the anniversary date of issue or renewal by payments to the board of examiners of a renewal fee and the certificate holder shall receive a renewal certificate. Any license or certificate shall be cancelled if the holder fails to secure the renewal license or certificate within three months after the renewal date, but any license or certificate so cancelled may be restored by the board upon payment of a fee within one year after cancellation.

The Committee on State Government reported **HB 398, SB 23, SB 90** and **SB 230** with Committee Amendment attached thereto, with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 398, AN ACT relating to libraries.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Section 171.150 of the Kentucky Revised Statutes is amended to read as follows:

(1) The *Department of Libraries* [department] may accept and administer any money appropriated or granted to it, in addition to appropriations to it out of the General Fund, for providing, *improving* and equalizing public library service, *library service to state institutions, and cooperative systems of library service, including cooperative arrangements with public school, college, university and special libraries* in Kentucky, by the Federal Government or by the state *or* [and] any other agencies.

Section 2. Section 171.200 of the Kentucky Revised Statutes is amended to read as follows:

(1) The *Department of Libraries* [department] shall make and administer plans to lessen inequalities of opportunity for library service, for the maintenance of *an improved* [a] cooperative and integrated system of library service throughout the state and for suitable cooperative arrangements *between public library systems, school library systems, college and university libraries, special libraries,* [with school systems, cooperative agricultural extension service] and other appropriate *state* agencies.

Section 3. Section 171.203 of the Kentucky Revised Statutes is amended to read as follows:

(1) Any funds appropriated for the purpose of KRS 171.201 to 171.205 shall be expended for aiding in the establishment, extension and development of local public library facilities through the purchase, *lease or repair of library* [of] books, equipment [or library] *furniture,* buildings or bookmobiles [through tech-

nical assistance, educational and promotional programs] and *for* such other methods and services as will best accomplish the purpose. Funds [in the Public Library Service Fund] shall be paid out by the State Treasurer on warrants drawn by the Commissioner of Finance on order of the State Librarian.

Section 4. Section 171.204 of the Kentucky Revised Statutes is amended to read as follows:

(1) To the extent of funds available, grants *may* [shall] be made to *qualifying* counties [applying for state aid, based upon population and areas needed to be served and according to] *based on* formulas *and regulations designed by the Department of Libraries or provided as special grants for an approved program* [provided for in the Federal Service Library Act]. The Department of Libraries may provide partial grants or loans for constructing county or district library buildings *or for improving libraries and library services of all types, through such methods and services as will best accomplish this purpose,* and may accept Federal funds *for these purposes* [to be used for this purpose].

Section 5. Section 171.306 of the Kentucky Revised Statutes is amended to read as follows:

(1) To be eligible for a scholarship, an applicant shall contract in writing with the State Librarian that he will, within six months from the date he completes his term of study, accept employment with a library program approved by the State Librarian for a period to be computed at the rate of one year for each one thousand dollars received, or proportional time for less amounts.

(2) If the recipient of a scholarship fails to fulfill his obligations under the contract for a scholarship the entire amount of scholarship benefits received *less credit for time actually employed in an approved program* plus 6% interest thereon shall become due and payable.

(3) Upon recommendation of the State Librarian, the Attorney General shall institute proceedings for the purpose of recovering any amount due the Commonwealth under the provisions of this section.

(4) The State Librarian may terminate employment of a scholarship recipient if the performance of the recipient is found to be unsatisfactory. In such a case, if the obligations of the recipient are not completely fulfilled they are cancelled.

Section 6. Section 173.520 of the Kentucky Revised Statutes is amended to read as follows:

(1) The board shall establish, equip and maintain libraries or contract with existing libraries for the furnishing of library service for the district and do all things necessary to provide efficient library service. No district shall establish a library unless the plans for the establishment, equipment and maintenance have been approved by the Department of Libraries. No contract shall be made unless the libraries contracting to furnish service are libraries approved by the Department of Libraries for this purpose. The Board shall meet annually and at such other times as it deems necessary.

(2) The district, as a body corporate, by and through the board, may:

(a) Sue and be sued, complain and defend, purchase, or lease grounds, purchase, lease, occupy or erect appropriate buildings for the use of the district libraries and their branches, sell and convey real and personal property for and on behalf of the district, receive gifts of real and personal property for the use and benefit of the district, the same when accepted to be held and controlled by the board according to the terms of the deed, gift, devise or bequest of such property;

(b) Borrow money on the credit of the board in anticipation of the revenue to be derived from taxes levied by the district for the fiscal year in which the money is borrowed, and to pledge the taxes levied for the district for the payment of the principal and interest on the loan. The [interest paid shall not exceed six per cent per annum and the] principal shall not exceed fifty per cent of the anticipated revenue for the fiscal year in which the money is borrowed;

(c) Establish bylaws it deems necessary and expedient to define the duties of officers, assistants or employees and make all necessary rules and regulations governing libraries and library service within the district.

(3) The board in exercise of its powers shall be guided by the regulations and requirements of the Department of Libraries.

(4) The powers set forth in this section shall not be construed to limit, restrict or modify any powers or authority granted by any other part of KRS 173.450 to 173.650 or any other law not in conflict with the provisions of this section.

Section 7. Section 173.790 of the Kentucky Revised Statutes is amended to read as follows:

(1) The special ad valorem tax rate for the maintenance and operation of a public library district provided for by KRS 173.710 to 173.800 shall not be increased or decreased unless a petition requesting an increase or decrease in the tax rate of a specifically stated amount is signed by fifty-one percent of the number of duly qualified voters voting at the last general election in each county in the district. Such petition shall be filed with the fiscal court in each county in the district not later than ninety days after the date of the first signature. The fiscal court shall order the court to increase or decrease the ad valorem tax, as stated in the petition.

The petitions shall read, "The following duly qualified voters of (insert name of county or counties) hereby petition the fiscal court of each county concerned to increase (or decrease) the special ad valorem tax from (insert exact amount) to (insert exact amount) on each one hundred dollars worth of property assessed for local taxation in the district for the maintenance and operation of the (insert name) public library district."

The petition shall contain the following: The name and address of each petitioner and the date upon which he signed the petition.

(2) Any increase provided for in subsection (1) of this section shall not exceed twenty cents on each one hundred dollars of the assessed valuation of all property in the district.

(3) A petition requesting a decrease in the tax rate will not be considered of any legal effect if, at any time prior to the filing of such a petition for decrease, either (a) contractual obligations have been assumed by pertinent contracting au-

thorities in connection with said subject library which contractual obligations would be adversely affected by any such decrease; or (b) if, as of the time of filing of such a petition for decrease, the board of such district shall have arranged for the financing of a library in that district pursuant to a plan of financing involving a lease of that library to the board under which lease the board is not bound for more than one year at a time without exercising an annual option to renew the lease and such lease remains effective and has not been terminated.

Section 8. Section 173.800 of the Kentucky Revised Statutes is amended to read as follows:

A district may be dissolved in the following manner:

(1) Upon filing of a duly certified petition of fifty-one percent of the number of qualified voters who voted in the last general election in the district, the fiscal court of each county in the district shall adopt a resoluton to dissolve a library district.

(2) The petition shall be in substantially the following form: "The following qualified voters in (insert name of county or counties) favor dissolving the (insert name of district) public library district." It shall be presented to the fiscal court within ninety days after having been signed by the first petitioner.

(3) A certified copy of the order of the fiscal court shall be filed with the county clerk.

(4) The county clerk or clerks in the district will thereupon remove the tax levy from the tax bills of the property owners of the district and the district shall be dissolved.

(5) A petition for dissolution will not be considered of any legal effect if, at any time prior to the filing of such a petition for dissolution, *either (a)* contractual obligations have been assumed by pertinent contracting parties in connection with *said* subject library [.] *which contractual obligations would be adversely affected by any such dissolution; or (b) if, as of the time of filing of such a petition for dissolution, the board of such district shall have arranged for the financing of a library in that district pursuant to a plan of financing involving a lease of that library to the board under which lease the board is not bound for more than one year at a time without exercising an annual*

option to renew the lease and such lease remains effective and has not been terminated. After all contractual obligations, existing prior to the time of the attempted filing of such petition for dissolution, have been satisfied, then, at such time, a petition for dissolution may be effectively filed under this section, provided that other provisions of this section are complied with.

SB 23, AN ACT establishing a Commission on Women.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. A new section of Chapter 344 of the Kentucky Revised Statutes is created to read as follows:

(1) There is hereby established the Kentucky Commission on Women as a separate administrative body of state government within the meaning of Chapter 12 of the Kentucky Revised Statutes.

(2) The membership of the Commission shall consist of not more than twenty-four members and a chairman who shall be the administrative head and chief executive officer of the Commission. The Commission shall be appointed by the Governor and shall serve at the Governor's will during his incumbency and until each member's and the chairman's successor is appointed. The Governor, in appointing the Commission, shall attempt to insure, insofar as it may be practicable, and with due regard to the several geographic regions and socioeconomic groupings of the state, that the membership is broadly representative of the women of the state. The Commission shall meet at the call of the Chairman, but at least twice during each calendar year; a majority of the members shall constitute a quorum for the transaction of the Commission's business.

Section 2. A new section of Chapter 344 of the Kentucky Revised Statutes is created to read as follows:

The duties and functions of the Commission shall be to:

(1) Promote, encourage and provide advisory assistance in the establishment of local volunteer community improvement programs for, and of interest to, women;

(2) Conduct programs, studies, seminars and conferences, and encourage state and local women's business, professional and civic organizations to do likewise, to educate the public to the problems of women;

(3) Consult with and advise the Governor and the agencies, departments, boards and commissions of the state and local and municipal governments on matters pertaining to women;

(4) Cooperate with the federal government and with the governments of other states in programs relating to women; and

(5) Contract from time to time as may be appropriate with experts and consultants who may be utilized as deemed necessary and make other purchases and expenditures, all in accordance with the provisions of KRS Chapter 45, and make such other agreements, subject to the provisions of KRS Chapter 45, and perform any acts that may be necessary to carry out the purposes of this Act.

Section 3. A new section of Chapter 344 of the Kentucky Revised Statutes is created to read as follows:

The Commission shall submit an annual report to the Governor before the 30th day of June each year, summarizing the Commission's activities during the preceding fiscal year and making such recommendations as the Commission deems appropriate.

SB 90, AN ACT relating to the State Fair Board.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Section 247.090 of the Kentucky Revised Statutes is amended to read as follows:

(1) The State Fair Board shall be composed of *ten* [nine] members, as follows:

(a) The Governor;

(b) The Commissioner;

(c) The Dean of the College of Agriculture of the University of Kentucky; and

(d) *Seven* [Six] members appointed from the state at

large by the Governor with due consideration to geographical distribution throughout the state.

(2) The terms of the [present six] appointed members of the board shall be for four years, dating from the beginning of the terms for which they were respectively appointed, and until their successors are appointed and qualify, [, the beginning date being calculated as of December 12, 1944, for two of the terms, December 12, 1945, for two of the terms, and December 12, 1946, for two of the terms.] As the terms of each group of [two] members expire, the Governor shall appoint successors for terms of four years and until their successors are appointed and qualify. Beginning with the appointments to be made for the terms commencing December 12, 1948, one member of the first group of [two] successor members to be appointed shall be appointed from a list of six nominees consisting of three names from each of the two political parties polling the largest number of votes in the state at general elections submitted to the Governor by the governing body of the Kentucky Livestock Improvement Association, *and beginning December 12, 1970, one member of the first group shall be appointed from a list of six nominees so submitted by the governing body of the Kentucky State National Farmers Organization;* one member of the second such group shall be appointed from a list of six nominees so submitted by the governing body of the American Saddle Horse Breeders Association; and one member of the third group shall be appointed from a list of six nominees so submitted by the governing body of the Kentucky Farm Bureau Federation. *It is the intention of General Assembly that the political affiliation of the appointed members shall be as evenly divided as possible between* [The other member of each group of two successor members so appointed shall not be of the same political affiliation as the appointee selected from the nominees submitted by the named organizations, it being the intention hereof that of the six members so appointed by the Governor three shall be appointed from each of] the two political parties polling the largest number of votes in the state at general elections.

(3) In case of vacancy among the appointed members of the board, the unexpired term so occurring shall be filled by the Governor, who shall appoint a person having the same required qualifications as the person who theretofore held such office.

SB 230, AN ACT relating to special automobile license plates for the handicapped.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Section 189.455 of the Kentucky Revised Statutes is amended to read as follows:

(1) On the application of any handicapped person the Department of Revenue shall issue the handicapped person *special registration plates* [a decal] designating the vehicle licensed as belonging to a handicapped person. The *registration plates* [decal] issued shall bear a handicapped insignia approved by the department, *reading from left to right; and shall be followed by such numbers or letters as the department finds expedient.* The department shall not issue *registration plates* [decal] so designated to any person other than a handicapped person. The department shall not charge any fee, other than the regular fee for annual registration, for the issuance of the *registration plates* [decal].

(2) When a motor vehicle bearing *plates* [a decal] issued to a handicapped person as prescribed in this section is being operated by or for the benefit of the handicapped person, the motor vehicle may be parked for a period of two hours in excess of the legal parking period permitted by local authorities except where local ordinances or police regulations prohibit parking on a highway for the purpose of creating a fire lane or where the ordinances or police regulations provide for the accommodation of heavy traffic during morning, afternoon or evening hours or where the motor vehicle is parked in such a manner as to clearly be a traffic hazard.

(3) Any person who is not a handicapped person as prescribed in this section and who willfully and falsely represents himself as having the qualifications to obtain *such vehicle registration plates* [the decal] in an attempt to procure the special plates prescribed by this section shall be fined fifty dollars, and in default of payment, shall be imprisoned for not more than ten days.

(4) Any person owning a vehicle bearing *such vehicle registration plates* [a decal], and not entitled to do so under the provisions of this section, shall be fined fifty dollars, and

in default of payment, shall be imprisoned for not more than ten days.

(5) As used in this section, "handicapped person" means any person who has lost the use of a leg or both legs, or an arm or both arms, or any combination thereof, or any person who is blind, or the spouse, child, mother, father, sister, or brother of such person who provides transportation for such person.

The Committee Amendment to **SB 230** is as follows:

Amend printed copy of Senate Bill 230 on page 1, line 3, by: deleting the word "handicapped"

and on page 1, line 3, by inserting after the word "person" and before the word "the" the following words "who has lost the use of a leg or both legs, or an arm or both arms, or any combination thereof, [or any person who is blind,]"

and on page 2 by deleting all words on lines 25 through 28 inclusive

and on page 3 by deleting all words in line 1

Calendar

HB 656, HB 675, HB 666, HB 705, HB 684, HB 259, HB 113, HB 285, HB 569, HB 544, HB 624, HB 609, HB 603, HB 655, HB 654, HB 639, HB 637, HB 629, HB 574, HB 489, HR 90, SB 6, SB 15, SB 146, SB 182, SB 283, SB 290, SB 285, SB 311, SB 167, and **SB 253** taken from the Calendar and ordered read at length for the second time. Representative McBrayer moved that they be read by title only. Agreed by a majority of members elected. Ordered placed in Orders of the Day.

Motions, Petitions and Communications

Representative Blume filed an amendment to **HB 252.**

Representative Bruce filed two amendments to **HB 285.**

Representative J. Hardin filed an amendment to **HB 157.**

Representative McBrayer filed an amendment to **SR 13.**

Representative Massey filed an amendment to **HB 684.**

Representative Bruce filed an amendment to **SB 253.**

Representative Stuart filed an amendment to **HB 610.**

Representative Nett filed an amendment to **HB 673.**

Representative McBride filed an amendment to **HB 616.**

Representative McCann filed an amendment to **HB 691.**

Senate Message

Announcing passage of **HB 311, HB 491, HB 281, HB 317, HB 387, HB 464, SB 252, SB 351, SB 211, SB 227, SB 234, SB 12, SB 73** and **SR 58.**

Motions, Petitions and Communications (Continued)

Representative Baker moved the adoption of the following **HR 100:**

HR 100, A RESOLUTION honoring the Frankfort Semester Program.

WHEREAS, the Frankfort Semester Program was created to provide an on-the-job exposure to the political process for outstanding students from across the length and breadth of the Commonwealth; and

WHEREAS, the comparatively short existence of this program under the aegis of Kentucky State College has demonstrated its potential for great accomplishment in the area of higher education; and

WHEREAS, established under a Democratic Governor and supported by a Republican Governor the program has become a worthwhile example of a bipartisan endeavor for the good of all Kentuckians;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

That Governors Louie B. Nunn and Edward T. Breathitt,

and Kentucky State College be commended for their continuing support and enthusiasm for a program which has become another medium of communication between generations and between political parties.

HR 100 was adopted.

Representative Kleier moved the adoption of the following **HR 101:**

HR 101, A RESOLUTION directing the Legislative Research Commission to include in its study of education a study of the relationship of private education to public education.

WHEREAS, a Joint Resolution was, on February 27, 1970, introduced directing the Legislative Research Commission to undertake a comprehensive study of the administration, costs, and quality of common school education in Kentucky, and an appropriation for expenses thereof was provided; and

WHEREAS, it is timely that included in such study should be a study of the relationship of private education to public education;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

That the Legislative Research Commission be directed to include in its comprehensive study of quality of common schools in Kentucky a study of whether, and if so, to what extent, a need exists for the supplementing, at the elementary and secondary level, of public common schools in Kentucky by private schools.

HR 101 was adopted.

Report on Enrolled Bills

The Committee on Enrollment reported **SB 208, SB 124,** and **SB 176** had been examined and found correctly enrolled. **SB 208, SB 124** and **SB 176** read at length, compared and signed in open session by the Speaker. Ordered delivered to the Senate.

Representative Hinkle moved that **HB 60** be taken from the Clerk's desk and placed upon its passage. Agreed.

Representative Hinkle moved the adoption of the following Amendment to **HB 60:**

Amend printed copy of House Bill 60 on page 1, line 5, by: changing the word "four" to "seven"

and on lines 8 and 9, by striking the words "the amount of the employes annual salary" and substituting therefor the following: "the difference between the amount such employe would have been paid and the amount paid to a Rank III beginning teacher with no experience,"

and on page 2 below line 3, by inserting the following:

"(2) Each district board of education is hereby authorized to grant leaves of absence up to two percent of the total of the certificated staff in any one school year."

and on line 4, by changing "(2)" to "(3)"

and on line 7, by changing "(3)" to "(4)"

Agreed.

On the roll call the vote was yeas 89—Alexander, Allen, Arnett, Baker, Bleemel, Archie Brown, Edward G. Brown, Hershel Brown, Bruce, Carroll, Carter, Chapman, Clapp, Clarke, Collins, Conn, Curlin, James A. Davis, Walter Davis, DeMarcus, Deskins, Donnermeyer, Dorris, Durham, Graves, Haney, L. T. Hardin, Head, Hinkle, Holloway, Huff, Hughes, Isler, Keene, Keith, Kenton, Kessinger, Kidd, King, Knuckles, Lewis, Lindsay, Louden, Lovins, McBrayer, McBride, McCann, McGill, McKinney, McNamara, Massey, May, Miller, Mitchell, Nett, Osborne, Parish, Paxton, Peak, Pollitte, Prather, Priddy, Rattliff, Ray, Reed, Russell Reynolds, T. P. Reynolds, W. J. Reynolds, Rickert, Roberts, Ruh, Salyers, Schmidt, Sharpe, Siemens, Simmons, Swinford, Tobin, Van Horn, Wells, Wenz, West, Wheeler, Glenn White, John E. White, Wible, Wright, Wyatt, Yocom. Nays 0.

HB 60 as amended was passed and the title agreed to.

Representative Hinkle moved that the vote by which **HB 60** as amended was passed be reconsidered and said motion be postponed indefinitely. Agreed.

Orders of the Day

HB 436 taken from Orders of the Day and ordered read at length for the third time. Representative McBrayer moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

On the roll call the vote was yeas 93—Alexander, Allen, Arnett, Baker, Bartley, Blandford, Bleemel, Blume, Blythe, Archie Brown, Edward G. Brown, Hershel Brown, Bruce, Carroll, Carter, Chapman, Clapp, Clarke, Collins, Curlin, James A. Davis, Walter Davis, Deskins, Donnermeyer, Dorris, Durham, Floyd, Freeman, Graves, Haney, L. T. Hardin, Head, Hinkle, Holloway, Huff, Hughes, Isler, Keith, Kenton, Kessinger, Kidd, King, Knuckles, Lewis, Lindsay, Louden, Lovins, McBrayer, McBride, McCann, McGill, McKinney, McNamara, Massey, May, Miller, Mitchell, Murphy, Nett, Osborne, Parish, Paxton, Peak, Pollitte, Prather, Priddy, Rattliff, Ray, Reed, Russell Reynolds, T. P. Reynolds, W. J. Reynolds, Rickert, Ruh, Salyers, Schmidt, Sharpe, Siemens, Simmons, Stuart, Swinford, Tobin, Van Horn, Wells, Wenz, West, Wheeler, Glenn White, John E. White, Wible, Wright, Wyatt, Yocom. Nays 0.

HB 436 was passed and the title agreed to.

Representative McBrayer moved that the vote by which **HB 436** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 439 taken from Orders of the Day and ordered read at length for the third time. Representative McBrayer moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

On the roll call the vote was yeas 87—Alexander, Allen, Arnett, Bartley, Blandford, Bleemel, Blume, Blythe, Archie Brown, Edward G. Brown, Hershel Brown, Carroll, Carter, Chapman, Clapp, Clarke, Collins, Curlin, James A. Davis, Walter Davis, Deskins, Donnermeyer, Dorris, Durham, Floyd, Freeman, Graves, Haney, L. T. Hardin, Head, Hinkle, Holloway, Huff, Hughes, Isler, Keene, Keith, Kenton, Kessinger, Kidd, King, Kleier, Knuckles, Lewis, Lindsay, Louden, Lovins, McBrayer, McBride, McCann, McGill, McNamara, May, Mitchell, Murphy, Nett, Osborne, Parish, Paxton, Peak, Prather, Priddy,

Rattliff, Ray, Reed, Russell Reynolds, T. P. Reynolds, W. J. Reynolds, Rickert, Roberts, Ruh, Salyers, Sharpe, Siemens, Simmons, Swinford, Tobin, Van Horn, Wells, Wenz, West, Wheeler, Glenn White, Wible, Wright, Wyatt, Yocom. Nays 0.

HB 439 was passed and the title agreed to.

Representative McBrayer moved that the vote by which **HB 439** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 577, with Committee Amendment attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative McBrayer moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Kenton moved that the Committee Amendment to **HB 577** be withdrawn. Agreed.

Representative Kenton moved the adoption of the following amendment to **HB 577:**

Amend printed copy of House Bill 577 on page 2:

in the second literary paragraph, by amending "$2,225,000" to read $10,500,000"

and on page 3, by inserting between lines 11 and 12 the following: "(3) Of the two members appointed by the Governor, one shall be appointed for an initial term of two years and the other for a term of four years. Successive appointments shall be for four years."

and on page 3, line 18, by amending "$5,000" to read "$7,500"

and on page 3, line 19, by adding at the end of line 19 the following: "The aggregate of all guaranteed loans shall at no time exceed the amount of the Farm Development Loan Guarantee Fund as provided in this Act when multiplied by thirty."

and on page 7, by deleting all words on lines 26, 27, and 28 and inseritng in lieu thereof the following:

"Section 12. (1) For the purpose of this Act, there is allocated to the Farm Development Loan Guarantee Fund from the proceeds, if any, of the 1970 General Obligation Bonds, the sum of $400,000.

(2) The Commissioner of Finance shall transfer such funds, when available, from the General Construction Bond Fund of 1970 clearing account to the Farm Development Loan Guarantee Fund."

and on page 8, by deleting all words on lines 1 through 13 inclusive.

Agreed.

On the roll call the vote was yeas 86—Alexander, Allen, Arnett, Baker, Bartley, Blandford, Blume, Archie Brown, Edward G. Brown, Hershel Brown, Bruce, Carroll, Carter, Chapman, Clapp, Clarke, Collins, Conn, Curlin, Walter Davis, DeMarcus, Deskins, Dorris, Durham, Floyd, Graves, Haney, L. T. Hardin, Head, Hinkle, Holloway, Huff, Hughes, Isler, Keene, Keith, Kenton, Kessinger, Kidd, King, Kleier, Knuckles, Lewis, Lindsay, Louden, Lovins, McBrayer, McBride, McCann, McGill, McKinney, McNamara, May, Miller, Mitchell, Murphy, Nett, Osborne, Parish, Paxton, Peak, Prather, Priddy, Rattliff, Ray, Reed, Russell Reynolds, T. P. Reynolds, Rickert, Ruh, Salyers, Schmidt, Sharpe, Siemens, Stuart, Swinford, Van Horn, Wenz, West, Wheeler, Glenn White, John E. White, Wible, Wright, Wyatt, Yocom. Nays 1—Simmons.

HB 577 as amended was passed and the title agreed to.

Representative Kenton moved that the vote by which **HB 577** as amended was passed be reconsidered and said motion be postponed indefinitely. Agreed.

Representative McBrayer moved that consideration of **HB 225, HB 369, HB 474, HB 437, HB 587** and **HB 452** be deferred and that they retain their position in Orders of the Day. Agreed.

HB 287 taken from Orders of the Day and ordered read at length for the third time. Representative McBrayer moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

On the roll call the vote was yeas 16—Baker, Clarke, Conn, Curlin, Dorris, John O. Hardin, Kenton, Lindsay, McBrayer, McCann, Mitchell, Murphy, Paxton, Peak, Swinford, Van Horn. Nays 63—Alexander, Allen, Arnett, Bartley, Blandford, Blythe, A. Brown, E. G. Brown, H. Brown, Bruce, Carter, Chapman,

Clapp, Collins, J. Davis, W. Davis, DeMarcus, Deskins, Durham, Floyd, Freeman, Graves, Haney, L. Hardin, Hinkle, Holloway, Huff, Hughes, Isler, Keith, Kessinger, Kidd, King, Knuckles, Lewis, Lovins, McBride, McGill, McKinney, McNamara, May, Nett, Osborne, Parish, Pollitte, Priddy, Rattliff, R. Reynolds, T. Reynolds, Rickert, Roberts, Ruh, Salyers, Siemens, Simmons, Wells, Wenz, West, Wheeler, G. White, J. White, Wible, Yocom.

HB 287 was defeated.

HB 233, by way of Committee Substitute, taken from Orders of the Day and ordered read at length for the third time. Representative McBrayer moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative DeMarcus moved the adoption of the Committee Substitute for **HB 233.** Agreed.

On the roll call the vote was yeas 85—Alexander, Baker, Blandford, Blume, Blythe, Archie Brown, Edward G. Brown, Hershel Brown, Carroll, Carter, Chapman, Clapp, Clarke, Conn, Curlin, James A. Davis, Walter Davis, DeMarcus, Donnermeyer, Dorris, Durham, Floyd, Graves, Haney, John O. Hardin, L. T. Hardin, Head, Hinkle, Holloway, Huff, Hughes, Isler, Keene, Keith, Kenton, Kessinger, King, Kleier, Knuckles, Lewis, Lindsay, Louden, Lovins, McBrayer, McBride, McCann, McGill, McKinney, McNamara, Massey, May, Mitchell, Murphy, Nett, Osborne, Parish, Paxton, Peak, Pollitte, Priddy, Rattliff, Ray, Reed, Russell Reynolds, T. P. Reynolds, W. J. Reynolds, Rickert, Roberts, Ruh, Schmidt, Sharpe, Siemens, Simmons, Stuart, Swinford, Tobin, Van Horn, Wells, Wenz, West, Wheeler, Glenn White, John E. White, Wible, Yocom. Nays 4—Allen, Arnett, Deskins, Salyers.

HB 233, by way of Committee Substitute, was passed.

Representative DeMarcus moved the adoption of the following Title Amendment to **HB 233:**

Amend printed copy of Committee Substitute for House Bill 233 on page 1 by:

changing the title to read "AN ACT relating to the creation of the Division of Properties in the Department of Finance."

Agreed.

Representative McBrayer moved that the vote by which **HB 233,** by way of Committee Substitute, was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 375, taken from Orders of the Day and ordered read at length for the third time. Representative McBrayer moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Baker moved the adoption of the following Amendment to **HB 375:**

Amend printed copy of House Bill 375 on page 2, line 28, by: inserting after the word *"adopted."* the following:

"The new birth certificate shall recite the residence of the adoptive parents as the birthplace of the child and this shall be deemed for all legal purposes to be the birthplace of the child."

Agreed.

On the roll call the vote was yeas 81—Alexander, Allen, Arnett, Baker, Blandford, Archie Brown, Edward G. Brown, Hershel Brown, Carter, Chapman, Clarke, Collins, Conn, Curlin, James A. Davis, Walter Davis, DeMarcus, Deskins, Donnermeyer, Dorris, Durham, Floyd, Freeman, Graves, John O. Hardin, L. T. Hardin, Head, Hinkle, Holloway, Huff, Isler, Keene, Keith, Kenton, Kessinger, King, Kleier, Knuckles, Lewis, Lindsay, Louden, Lovins, McBrayer, McBride, McCann, McKinney, McNamara, Massey, May, Mitchell, Murphy, Osborne, Parish, Paxton, Peak, Pollitte, Prather, Priddy, Rattliff, Ray, Reed, Russell Reynolds, Rickert, Roberts, Ruh, Schmidt, Sharpe, Siemens, Simmons, Stuart, Swinford, Tobin, Van Horn, Wells, Wenz, West, Wheeler, John E. White, Wible, Wyatt, Yocom. Nays 1—G. White.

HB 375 as amended was passed and the title agreed to.

Representative Baker moved that the vote by which **HB 375** as amended was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 163, with Committee Amendment attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative McBrayer moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Yocom moved the adoption of the Committee Amendment to **HB 163.** Agreed.

On the roll call the vote was yeas 68—Allen, Arnett, Baker, Blandford, Blume, Archie Brown, Hershel Brown, Carroll, Carter, Clapp, Clarke, Collins, Conn, Curlin, Deskins, Donnermeyer, Floyd, Graves, Haney, John O. Hardin, L. T. Hardin, Head, Hinkle, Huff, Isler, Keene, Kenton, Kessinger, King, Kleier, Knuckles, Lewis, Lovins, McBrayer, McBride, McCann, McGill, McNamara, May, Miller, Murphy, Nett, Osborne, Parish, Paxton, Peak, Pollitte, Prather, Priddy, Ray, W. J. Reynolds, Rickert, Roberts, Ruh, Salyers, Siemens, Simmons, Swinford, Tobin, Van Horn, Wenz, West, Wheeler, Glenn White, Wible, Wright, Wyatt, Yocom. Nays 4—Bartley, DeMarcus, Dorris, J. White.

HB 163 as amended was passed and the title agreed to.

Representative McBrayer moved that the vote by which **HB 163** as amended was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 289, by way of Committee Substitute, taken from Orders of the Day and ordered read at length for the third time. Representative McBrayer moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Rickert moved the adoption of the Committee Substitute for **HB 289.** Agreed.

On the roll call the vote was yeas 81—Alexander, Allen, Arnett, Baker, Blandford, Archie Brown, Edward, G. Brown, Hershel Brown, Carter, Clapp, Clarke, Conn, Curlin, James A. Davis, Walter Davis, DeMarcus, Deskins, Donnermeyer, Dorris, Durham, Floyd, Graves, Haney, John O. Hardin, L. T. Hardin, Head, Hinkle, Holloway, Huff, Isler, Keene, Keith, Kenton, Kessinger, King, Kleier, Knuckles, Lewis, Lindsay, Lovins, McBrayer, McBride, McCann, McNamara, May, Miller, Mitchell, Murphy, Nett, Osborne, Parish, Paxton, Peak, Pollitte, Prather, Priddy, Rattliff, Ray, Reed, Russell Reynolds, W. J. Reynolds, Rickert, Ruh, Salyers, Schmidt, Sharpe, Siemens, Simmons, Stuart, Swinford, Tobin, Van Horn, Wells, Wenz, West, Wheeler, John E. White, Wible, Wright, Wyatt, Yocom. Nays 0.

HB 289, by way of Committee Substitute, was passed and the title agreed to.

Representative Rickert moved that the vote by which **HB 289,** by way of Committee Substitute, was passed be reconsidered and said motion be postponed indefinitely.

Representative McBrayer moved that consideration of **HB 357** be deferred and that it retain its position in Orders of the day. Agreed.

HB 393 taken from Orders of the Day and ordered read at length for the third time. Representative McBrayer moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

On the roll call the vote was yeas 93—Alexander, Allen, Arnett, Baker, Bartley, Blandford, Blume, Blythe, Archie Brown, Edward G. Brown, Hershel Brown, Bruce, Carroll, Carter, Chapman, Clapp, Clarke, Collins, Conn, Curlin, James A. Davis, Walter Davis, DeMarcus, Deskins, Donnermeyer, Dorris, Durham, Floyd, Freeman, Graves, Haney, John O. Hardin, L. T. Hardin, Head, Hinkle, Holloway, Huff, Hughes, Isler, Keene, Keith, Kenton, Kessinger, Kidd, King, Kleier, Knuckles, Lewis, Lindsay, Louden, Lovins, McBrayer, McBride, McKinney, McNamara, Massey, May, Miller, Mitchell, Nett, Osborne, Parish, Paxton, Pollitte, Prather, Priddy, Rattliff, Ray, Reed, Russell Reynolds, T. P. Reynolds, W. J. Reynolds, Rickert, Roberts, Ruh, Salyers, Schmidt, Sharpe, Siemens, Simmons, Stuart, Swinford, Tobin, Van Horn, Wells, Wenz, West, Wheeler, Glenn White, John E. White, Wible, Wright, Wyatt. Nays 1—Peak.

HB 393 was passed and the title agreed to.

Representative McBrayer moved that the vote by which **HB 393** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 453, with Committee Amendment attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative McBrayer moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Kidd moved the adoption of the Committee Amendment to **HB 453.** Agreed.

On the roll call the vote was yeas 79—Alexander, Arnett, Baker, Blandford, Blume, Blythe, Edward G. Brown, Hershel Brown, Bruce, Carter, Chapman, Clapp, Clarke, Collins, Conn, Curlin, Deskins, Donnermeyer, Dorris, Durham, Floyd, Graves, Haney, John O. Hardin, L. T. Hardin, Head, Hinkle, Holloway, Huff, Hughes, Isler, Keene, Keith, Kenton, Kessinger, Kidd, King, Kleier, Knuckles, Lewis, Lindsay, Louden, McBrayer, McBride, Massey, May, Miller, Mitchell, Murphy, Osborne, Parish, Paxton, Peak, Pollitte, Prather, Priddy, Ray, Reed, Russell Reynolds, T. P. Reynolds, W. J. Reynolds, Rickert, Roberts, Ruh, Salyers, Schmidt, Sharpe, Siemens, Swinford, Tobin, Van Horn, Wells, Wenz, Wheeler, Glenn White, Wible, Wright, Wyatt, Yocom. Nays 0.

HB 453 as amended was passed and the title agreed to.

Representative McBrayer moved that the vote by which **HB 453** as amended was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 463 taken from Orders of the Day and ordered read at length for the third time. Representative McBrayer moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

On the roll call the vote was yeas 26—Baker, Blume, Blythe, Clarke, Conn, Curlin, Donnermeyer, Freeman, Isler, Keene, Kenton, Kessinger, Kleier, Lindsay, Louden, McCann, Miller, Murphy, Nett, Priddy, Ray, Ruh, Schmidt, Siemens, Stuart, Wyatt. Nays 54—Alexander, Arnett, Bartley, Blandford, A. Brown, H. Brown, Bruce, Carter, Chapman, Clapp, Collins, J. Davis, W. Davis, DeMarcus, Dorris, Durham, Graves, Haney, J. Hardin, L. Hardin, Head, Hinkle, Huff, Hughes, Keith, King, Knuckles, Lewis, Lovins, McBrayer, McBride, McNamara, Osborne, Parish, Paxton, Peak, Pollitte, Prather, Rattliff, Reed, R. Reynolds, Rickert, Salyers, Sharpe, Simmons, Swinford, Tobin, Van Horn, Wenz, West, Wheeler, J. White, Wible, Yocom.

HB 463 was defeated.

Representative McBrayer moved that consideration of **HB**

425 be deferred and that it retain its position in Orders of the Day. Agreed.

HB 466 taken from Orders of the Day and ordered read at length for the third time. Representative McBrayer moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

On the roll call the vote was yeas 55—Alexander, Baker, Blume, Archie Brown, Edward G. Brown, Carter, Chapman, Clapp, Clarke, Collins, Conn, Curlin, James A. Davis, Donnermeyer, Dorris, Haney, L. T. Hardin, Hinkle, Holloway, Keene, Keith, Kenton, Kidd, Louden, McBrayer, McCann, McNamara, May, Miller, Mitchell, Murphy, Osborne, Paxton, Pollitte, Prather, Rattliff, Reed, Russell Reynolds, T. P. Reynolds, W. J. Reynolds, Rickert, Roberts, Ruh, Salyers, Schmidt, Sharpe, Simmons, Stuart, Swinford, Wenz, Glenn White, John E. White, Wright, Wyatt, Yocom. Nays 29—Allen, Arnett, Blandford, H. Brown, Bruce, DeMarcus, Floyd, Graves, J. Hardin, Head, Huff, Hughes, Isler, Knuckles, Lewis, Lindsay, Lovins, McBride, McKinney, Nett, Parish, Peak, Priddy, Ray, Siemens, Van Horn, West, Wheeler, Wible.

HB 466 was passed and the title agreed to.

Representative McBrayer moved that the vote by which **HB 466** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

Representative Yocom filed two amendments to **HB 673.**

Representative Pollitte filed an amendment to **HB 440.**

Representative McBride filed two amendments to **HB 646.**

HB 487 taken from Orders of the Day and ordered read at length for the third time. Representative McBrayer moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

On the roll call the vote was yeas 75—Allen, Arnett, Blandford, Blythe, Archie Brown, Edward G. Brown, Hershel Brown, Bruce, Carter, Chapman, Clapp, Clarke, Collins, Conn, Curlin, James A. Davis, Walter Davis, DeMarcus, Deskins, Donnermeyer, Durham, Floyd, Graves, Haney, John O. Hardin, L. T.

Hardin, Head, Hinkle, Holloway, Huff, Hughes, Isler, Keene, Keith, Kenton, Kessinger, King, Kleier, Knuckles, Lewis, Lindsay, Lovins, McBrayer, McBride, McCann, McKinney, McNamara, Massey, May, Miller, Mitchell, Nett, Osborne, Parish, Paxton, Peak, Pollitte, Prather, Priddy, Rattliff, Reed, Rickert, Salyers, Schmidt, Siemens, Simmons, Stuart, Swinford, Tobin, Van Horn, Wenz, West, Wheeler, Wible, Yocom. Nays 0.

HB 487 was passed and the title agreed to.

Representative McBrayer moved that the vote by which **HB 487** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 512 taken from Orders of the Day and ordered read at length for the third time. Representative McBrayer moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

On the roll call the vote was yeas 75—Alexander, Allen, Arnett, Baker, Blandford, Archie Brown, Edward G. Brown, Hershel Brown, Bruce, Carter, Chapman, Clapp, Clarke, Conn, Curlin, Deskins, Donnermeyer, Dorris, Durham, Floyd, Graves, Haney, John O. Hardin, L. T. Hardin, Head, Hinkle, Holloway, Huff, Hughes, Isler, Keene, Keith, Kenton, Kessinger, Kidd, King, Knuckles, Lewis, Lindsay, Lovins, McBrayer, McBride, McNamara, May, Miller, Mitchell, Murphy, Nett, Osborne, Parish, Paxton, Peak, Pollitte, Prather, Priddy, Rattliff, Russell Reynolds, T. P. Reynolds, Rickert, Salyers, Schmidt, Sharpe, Siemens, Simmons, Swinford, Tobin, Van Horn, Wells, West, Wheeler, Glenn White, John E. White, Wible, Yocom. Nays 1—Collins.

HB 512 was passed and the title agreed to.

Representative McBrayer moved that the vote by which **HB 512** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 538 taken from Orders of the Day and ordered read at length for the third time. Representative McBrayer moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

On the roll call the vote was yeas 75—Alexander, Allen, Arnett, Baker, Blandford, Blythe, Archie Brown, Edward G.

Brown, Hershel Brown, Carter, Chapman, Clapp, Clarke, Conn, Curlin, James A. Davis, Walter Davis, Deskins, Donnermeyer, Dorris, Durham, Floyd, Graves, Haney, John O. Hardin, Hinkle, Holloway, Huff, Isler, Keene, Keith, Kenton, Kessinger, Kidd, King, Kleier, Knuckles, Lewis, Linsday, McBrayer, McBride, McCann, McKinney, McNamara, May, Miller, Mitchell, Murphy, Nett, Parish, Paxton, Peak, Pollitte, Prather, Priddy, Ray, Russell Reynolds, T. P. Reynolds, Rickert, Salyers, Schmidt, Sharpe, Siemens, Simmons, Swinford, Tobin, Van Horn, Wells, Wenz, West, Wheeler, John E. White, Wible, Wright, Yocom. Nays 0.

HB 538 was passed and the title agreed to.

Representative McBrayer moved that the vote by which **HB 538** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 572 taken from Orders of the Day and ordered read at length for the third time. Representative McBrayer moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

On the roll call the vote was yeas 73—Alexander, Arnett, Blandford, Blythe, Archie Brown, Edward G. Brown, Hershel Brown, Carter, Chapman, Clapp, Clarke, Collins, Conn, Curlin, James A. Davis, Walter Davis, Donnermeyer, Dorris, Durham, Floyd, Graves, Haney, John O. Hardin, L. T. Hardin, Head, Hinkle, Holloway, Huff, Isler, Keene, Keith, Kenton, Kidd, Kleier, Knuckles, Lewis, Lindsay, Louden, Lovins, McBrayer, McBride, McCann, McNamara, Massey, Miller, Mitchell, Murphy, Nett, Osborne, Parish, Paxton, Peak, Pollitte, Prather, Priddy, Russell Reynolds, T. P. Reynolds, Rickert, Salyers, Schmidt, Sharpe, Siemens, Simmons, Swinford, Tobin, Van Horn, Wenz, West, Wheeler, Glenn White, Wible, Wright, Yocom. Nays 0.

HB 572 was passed and the title agreed to.

Representative McBrayer moved that the vote by which **HB 572** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 598 taken from Orders of the Day and ordered read at length for the third time. Representative McBrayer moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

On the roll call the vote was yeas 51—Alexander, Blandford, Blume, Edward G. Brown, Bruce, Carroll, Carter, Clarke, Conn, Curlin, James A. Davis, Donnermeyer, Graves, Haney, John O. Hardin, Head, Hinkle, Isler, Keene, Keith, Kidd, Kleier, Lewis, Lindsay, Louden, Lovins, McBrayer, McBride, McCann, McNamara, May, Miller, Mitchell, Nett, Parish, Paxton, Peak, Pollitte, Prather, Priddy, Reed, Russell Reynolds, T. P. Reynolds, Rickert, Siemens, Swinford, Tobin, Van Horn, Wenz, Glenn White, Wible. Nays 26—Allen, Arnett, Baker, Bartley, Blythe, A. Brown, H. Brown, Chapman, Collins, DeMarcus, Floyd, L. Hardin, Holloway, Kessinger, Knuckles, McKinney, Massey, Osborne, Rattliff, Ray, Schmidt, Sharpe, Simmons, Stuart, West, J. White.

HB 598 was passed and the title agreed to.

Representative McBrayer moved that the vote by which **HB 598** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

Representative McBrayer moved that consideration of **HB 537, HB 610, HB 625, HB 630, HB 669, HB 691** and **SR 13** be deferred and that they retain their position in Orders of the Day. Agreed.

Representative McBrayer moved that the Rules be suspended to return to Introduction of Bills and Resolutions, Reference of Bills and Resolutions, and Report of Committees. Agreed.

Introduction of Bills and Resolutions (Continued)

HR 103, by Representative Rickert: A RESOLUTION commending the Gates Rubber Company for its contribution to the Commonwealth.

Reference of Bills and Resolutions (Continued)

Agriculture and Natural Resources: **SB 73, SB 211.**

Appropriations and Revenue: **SB 227, SB 252, SJR 58.**

Judiciary: **SB 12.**

Public Utilities and Transportation: **SB 351.**

State Government: **SB 234.**

Report of Committees (Continued)

The Committee on Rules reported **HR 66, HB 145, HJR 59, HB 72, HB 104, HB 576, HB 583, HB 593, HB 642, HB 676, HB 678, HJR 86, HR 94, HR 96, HR 97, HR 98, HR 99, HR 100** and **HR 101** have been posted for passage in Orders of the Day, March 12, 1970.

Representative Swinford filed an amendment to **HB 452.**

Announcements

Representative Ruh announced he wished to be recorded as voting "yea" on **HB 487** and **HB 512.**

Representative Baker announced he wished to be recorded as voting "yea" on **HB 474** and **HB 487.**

Representative Schmidt announced he wished to be recorded as voting "yea" on **SB 28.**

Representative Nett announced he wished to be recorded as voting "yea" on **HB 453.**

Representatives Kleier and Blandford announced they wished to be recorded as voting "yea" on **HB 436.**

Representative Priddy announced she wished to be recorded as voting "nay" on **HB 466.**

Representative McNamara announced she wished to be recorded as "not voting" on **HB 466.**

Representative Pollitte announced he wished to be recorded as voting "yea" on **HB 439.**

The Clerk announced the following Bills and Resolutions have been posted for consideration:

Health and Welfare: **HB 558, SB 274.** (Room 401, March 13, 1970, 10:00 a.m.)

Education: **HB 719, HB 707, SB 215, SB 216.** (Room 401, March 12, 1970, 10:00 a.m.)

Counties and Special Districts: **HB 650, HB 689, HR 70, SB 288, SB 294.** (Room 402, March 12, 1970, 11:00 a.m.)

Cities: **SB 266, SB 320.** (Room 401, March 12, 1970, 11:00 a.m.)

State Government: **HB 715, HB 717, HB 737, HB 449, HB 679, HB 680, HB 423, SB 188, SB 221, SB 222, SB 241, SB 257** and **SB 234.** (Room 305, March 12, 1970, 11:00 a.m.)

Appropriations and Revenue: **SB 91, HB 710, HB 670, HB 647.** (Special Meeting, Room 402, March 12, 1970, on adjournment)

Judiciary: **HB 727, HB 729.** (Room 305, March 11, 1970, on adjournment)

The Clerk announced the following Bills and Resolutions have been withdrawn from consideration:

Health and Welfare: **SB 152.**

Judiciary: **HB 51, HB 86, HB 96, HB 120, HB 167, HB 188, HB 190, HB 191, HB 249, HB 431, HB 458, HB 70, HB 677.**

Representative J. Hardin moved that when the House adjourns, it do so by voice vote. Agreed.

Recess

Representative J. Hardin moved that the House recess for meeting of the Committees. Agreed.

At the Appointed hour, the Speaker resumed the Chair and called the House to order.

Senate Message

Announcing passage of **SB 388, SB 357, SB 184, SB 284, SR 63, HB 152, HB 364, HB 284, HB 143** and **HB 478.**

Report of Committees

The Committee on Banking and Insurance reported **HB 622,** with Committee Amendment attached thereto, with the expression of opinion that the same should pass. Ordered placed in Orders of the Day.

The Committee Amendment to **HB 622** is as follows:

Amend printed copy of House Bill 622 on page 1, lines 1-4, by:

striking lines 1 through 4 in their entirety and inserting in lieu thereof the following:

Section 1. A new section of Chapter 360 of the Kentucky Revised Statutes is created to read as follows:

Compliance with the requirements of the Federal Consumer Credit Protection Act Title I (Truth in Lending Act) and Title V (General Provisions), Public Law 90-321; 82 Stat. 146 et seq., and all regulations prescribed pursuant thereto, shall be deemed to be compliance with the requirements of KRS 360.210 to 360.265.

The Committee on Judiciary reported **HB 87** with Committee Amendments attached thereto, **SB 179** with Committee Amendment attached thereto, **HB 634** with Committee Amendment attached thereto, **HB 699, HB 709** and **HB 727** with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 87, AN ACT to amend KRS 426.525 to permit a mortgagee to preserve abandoned property.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Section 426.525 of the Kentucky Revised Statutes is hereby amended to read as follows:

Forcelosure of a mortgage is forbidden; [.] *provided, however, that this section shall not preclude a mortgagee after default from taking possession of property subject to the mortgage which has been abandoned by the mortgagor, for the purpose of preserving and maintaining the same, harvesting crops, or letting the same, all to the account of the mortgagor; and any reasonable*

expenses incident thereto shall be added to the principal of the mortgage, and secured by it.

The Committee Amendment No. 1 to **HB 87** is as follows:

Amend printed copy of House Bill 87 on page 1, line 9, by:

inserting following the word *"thereto"* the words *"including taxes and insurance"*

The Committee Amendment No. 2 to **HB 87** is as follows:

Amend printed copy of House Bill 87 on page 1, line 10, by:

adding at the end of line 10 the following:

"For the purpose of this section, property shall be deemed to have been abandoned when by the nature of the property in question further neglect or failure to attend will begin to substantially decrease its value."

SB 179, AN ACT relating to publication of public notices by broadcasting.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. A new section of KRS 424.010 to 424.220 is created to read as follows:

(1) Any official of the Commonwealth of Kentucky or any of its political subdivisions who is required by law to publish any legal notice or notice of event may supplement publication thereof by use of radio or television spot announcements, or both, when, in his judgment, the public interest will be served thereby; except, that notices by political subdivisions may be made only by stations having a broadcast studio within the county of origin of the legal notice, and that broadcast notices shall call attention solely to published or posted notices required by statute.

(2) Each radio or television station broadcasting a legal notice or notice of event shall for a period of three months subsequent to such broadcast retain at its office a copy of the transcript of the text of the notices actually broadcast and such shall be available for public inspection.

(3) The radio or television station which broadcasts the legal notice authorized by this Chapter shall be entitled to re-

ceive payment of an amount equal to the customary charges of such station for such service.

The Committee Amendment to **SB 179** is as follows:

Amend printed copy of Senate Bill 179 on pages 1 and 2, line 7, by:

adding the following subsection:

"(4) The publication of local notices under this Act shall be restricted to legal notices relating to those official acts of public officers requiring a final determination by order of any court of competent jurisdiction in the Commonwealth."

and on page 1, line 5, by inserting following the word "supplement":

", not to exceed twelve"

and following the word "publication" the letter *"s"*

and preceding the word "thereof" the words, *"unless otherwise ordered by a court of competent jurisdiction."*

HB 634, AN ACT relating to the regulation of dogs.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Section 258.195 of the Kentucky Revised Statutes is amended to read as follows:

(1) On or before July 1, 1954 the fiscal court of each county shall employ a dog warden. On or before July 1, 1955 the fiscal court of each county shall establish and maintain a dog pound as a means of facilitating and administration of this chapter. In counties of small population, arrangements may be made for the joint establishment and operation of dog pounds by two or more counties on a mutually satisfactory basis. Instead of setting up pounds, one or more counties acting jointly may take advantage of the facilities of suitable pounds already in operation by counties, cities, humane societies, or other organizations or individuals. Fiscal courts may adopt and enforce regulations relative to pound standards, the naming of persons who shall serve as dog wardens, providing for the fixing of salaries of wardens and assistants, and such other matters that may be incidental to efficient and proper operation of the dog pound plan.

(2) As a means of providing a portion of the funds for setting up and operating dog pounds, fifty cents out of the one dollar and fifty cents paid for every dog license sold in each county shall be credited by the department to a special enforcement fund to be refunded to the respective counties on a pro rata basis determined by the licenses sold in each county, and shall be used in meeting expenses of the dog warden and the dog pound plan.

(3) Dog wardens may be designated as agents of the department for purposes of appraising livestock losses pursuant to KRS 258.275.

(4) Dog wardens shall have the power of peace officers for the purpose of enforcing the provisions of KRS 258.095 to 258.365.

The Committee Amendment to **HB 634** is as follows:

Amend printed copy of House Bill 634 on page 2, line 18, by:

adding after the word *"officers"* at the end of line 18, the following: *", outside of the corporate limits of any incorporated city,".*

HB 699, AN ACT relating to motor vehicle registration lists.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. A new section of Chapter 186 of the Kentucky Revised Statutes is created to read as follows:

(1) The Department of Revenue, Department of Motor Transportation, Department of Public Safety and any other agency of the state government maintaining motor vehicle registration lists is hereby prohibited from releasing such lists, portions thereof, or any names, addresses, or other information contained therein to any person, partnership, corporation, or group who intends to use such information for any direct mail advertising, advertising by an other means, direct mail or other solicitations, or for any other commercial purpose.

(2) No county clerk, deputy clerk, or employe or agent of a county clerk shall release the motor vehicle owner registration lists of his county to any person, partnership, corporation, or group for any purpose prohibited in subsection (1) of this section.

(3) No employe of any department or agency of state or local government shall release motor vehicle registration lists or the contents thereof to any person, partnership, corporation, or group who intends to use same in a manner prohibited by subsection (1) of this section.

(4) No person, partnership, corporation, or group engaged in the businesses or operations described in subsection (1) of this section shall obtain, or attempt to obtain motor vehicle registration lists, portions thereof, or the information contained therein for any purpose whatsoever.

(5) Any person who violates any of the provisions of subsections (1), (2), or (3) of this Act shall be fined not less than $25 nor more than $500 or be imprisoned in the county jail not more than 60 days, or both.

(6) Any person, partnership, corporation, or group who violates the provisions of subsection (4) of this Act shall be fined not less than $1,000 nor more than $10,000 and, if an individual or officer of a corporation or group, may be imprisoned in the county jail for a period of not more than 6 months, or both.

HB 709, AN ACT relating to abandonment.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Section 435.240 of the Kentucky Revised Statutes is amended to read as follows:

(1) The parent of any child, *which child resides* [residing] in this state, who leaves, deserts or abandons a child under the age of sixteen years, leaving the child in destitute or indigent circumstances and without making proper provisions for the board, clothing, education and proper care of the child in a manner suitable to the condition and station in life of the parent and the child, or any married man who leaves, deserts or abandons his wife while she is pregnant by him, leaving her in destitute or indigent circumstances and without making proper provision for the board, clothing and proper care of the wife in a manner suitable to the condition and station in life of the man and his wife, shall be confined in the penitentiary for not less than one nor more than five years.

(2) The circuit court may postpone, at the request of the defendant, any trial under any indictment returned under subsection (1) *or (3)* of this section during the good behavior of the defendant, and may suspend judgment upon any verdict of conviction during the good behavior of the person convicted. It shall have power over the verdict or indictment for five years after the return of such an indictment or the rendition of such a verdict, and may dismiss such an indictment or set aside such a verdict when in the exercise of a sound judicial discretion it deems the conduct of the parent will warrant such action.

(3) (a) If a divorce has been granted by a court of competent jurisdiction, and thereafter the parent of any child under the age of sixteen years shall fail to comply with the orders of the court relative to the maintenance or support of the child as set forth in the judgment granting the divorce, while said child is in indigent or destitute circumstances, or if the parent having the custody of such child under the orders of the court shall abandon or desert the child, leaving said child in indigent or destitute circumstances, or if a parent not having the custody of the child shall take and carry away the child from the custody of the parent or other person to whom the custody of the child was awarded by the judgment of divorce, or by a subsequent order of the court amending the judgment, without the consent of the parent or other person having custody, the parent so doing shall be deemed guilty of a felony and upon conviction shall be confined in the penitentiary for not less than one nor more than five years; provided, that this paragraph shall apply only to judgments, decrees, or orders granted subsequently.

(b) The circuit court in which the divorce was granted, the circuit court of the county where the custodian of the child resided at the time the offense set out in this subsection was committed, and the circuit court of the county where the child was when the offense was committed, shall each have jurisdiction of the prosecution under this subsection.

(c) The provisions of subsection (2) of this section in regard to postponement of trial and suspension of judgment shall also apply to any indictment, trial or judgment under this subsection.

HB 727, AN ACT relating to service of process on nonresidents.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 188.030 is amended to read as follows:

The clerk of the court in which the action is brought shall isue a summons against the defendant named in the [petition] *complaint* and direct it to the sheriff of Franklin County. The sheriff shall execute the summons by delivering a true copy to the Secretary of State and shall also deliver with the summons an attested copy of plaintiff's [petition] *complaint.* The Secretary of State shall immediately mail the copy of the summons and [petition] *complaint* to the defendant at the address given in the [petition] *complaint.* The letter shall be posted by prepaid registered mail and shall bear the return address of the Secretary of State. The sheriff shall make the usual return to the court, and in addition the Secretary of State shall make a return to the court showing that the acts contemplated by this statute have been performed, and shall attach to his return the registry receipt, if any. Summons shall be deemed to be served on the return of the Secretary of State and the action shall proceed as provided in the Rules of Civil Procedure.

Section 2. KRS 454.270 is amended to read as follows:

(1) Any nonresident operator or owner of any watercraft who accepts the privilege extended by the laws of this state to nonresidents to operate water craft or have them operated within state shall, by such acceptance and by the operation of such water craft within this state, make the Secretary of State the agent of himself or his personal representative for the service of process in any civil action instituted in the courts of this state against the operator or owner, or the personal representative of the operator or owner, arising out of or by reason of any accident or collision or damage occurring within this state in which the water craft is involved.

(2) The clerk of the court in which the action is brought shall issue a summons against the defendant named in the [petition] *complaint* and direct it to the sheriff of Franklin County. The sheriff shall execute the summons by delivering a true copy

to the Secretary of State and shall also deliver with the summons an attested copy of plaintiff's [petition] *complaint.* The Secretary of State shall immediately mail the copy of the summons and [petition] *complaint* to the defendant at the address given in the [petition] *complaint.* The letter shall be posted by prepaid registered mail and shall bear the return address of the Secretary of State. The sheriff shall make the usual return to the court, and in addition the Secretary of State shall make a return to the court showing that the acts contemplated by the statute have been performed, and shall attach to his return the registry receipt, if any. Summons shall be deemed to be served on the return of the Secretary of State and the action shall proceed as provided in the Rules of Civil Procedure.

Section 3. KRS 454.210 is amended to read as follows:

(1) As used in this section, "person" includes an individual, his executor, administrator, or other personal representative, or a corporation, partnership, association, or any other legal or commercial entity, who is a nonresident of this Commonwealth.

(2) (a) A court may exercise personal jurisdiction over a person who acts directly or by an agent, as to a claim arising from the person's:

1. Transacting any business in this Commonwealth;

2. Contracting to supply services or goods in this Commonwealth;

3. Causing tortious injury by an act or omission in this Commonwealth;

4. Causing tortious injury in this Commonwealth by an act or omission outside this Commonwealth if he regularly does or solicits business, or engages in any other persistent course of conduct, or derives substantial revenue from goods used or consumed or services rendered in this Commonwealth, provided that the tortious injury occurring in this Commonwealth arises out of the doing or soliciting of business or a persistent course of conduct or derivation of substantial revenue within the Commonwealth;

5. Causing injury in this Commonwealth to any person by breach of warranty expressly or impliedly made in the sale of

goods outside this Commonwealth when the seller knew such person would use, consume, or be affected by, the goods in this Commonwealth, if he also regularly does or solicits business, or engages in any other persistent course of conduct, or derives substantial revenue from goods used or consumed or services rendered in this Commonwealth;

6. Having an interest in, using, or possessing real property in this Commonwealth, providing the claim arises from the interest in, use of, or possession of the real property, provided, however, that such in personam jurisdiction shall not be imposed on a nonresident who did not himself voluntarily institute the relationship, and did not knowingly perform, or fail to perform, the act or acts upon which jurisdiction is predicated.

7. Contracting to insure any person, property, or risk located within this Commonwealth at the time of contracting.

(b) When jurisdiction over a person is based solely upon this section, only a claim arising from acts enumerated in this section may be asserted against him.

(3) (a) When personal jurisdiction is authorized by this section, service of process may be made on such person, or any agent of such person, in any county in this Commonwealth, where he may be found or on the Secretary of State who, for this purpose, shall be deemed to be the statutory agent of such person.

(b) [The process shall be served, by the officer to whom the same is directed, or by the sheriff of Franklin County, who may be deputized for such purposes by the officer to whom the service is directed, upon the Secretary of State by leaving at the office of the Secretary of State, at least fifteen days before the return day of such process, a true and attested copy thereof, and by sending to the defendant by registered mail, postage prepaid, a like true and attested copy, with an endorsement thereon of the service upon said Secretary of State, addressed to such defendant at his last known address. The registered mail return receipt of such defendant shall be attached to and made a part of the return of service of such process.] *The clerk of the court in which the action is brought shall issue a summons against the defendant named in the complaint and direct it to the sheriff*

of Franklin County. The sheriff shall execute the summons by delivering a true copy to the Secretary of State and shall also deliver with the summons an attested copy of plaintiff's complaint. The Secretary of State shall immediately mail the copy of the summons and complaint to the defendant at the address given in the complaint. The letter shall be posted by prepaid registered mail and shall bear the return address of the Secretary of State. The sheriff shall make the usual return to the court, and in addition the Secretary of State shall make a return to the court showing that the acts contemplated by this statute have been performed, and shall attach to his return the registry receipt, if any. Summons shall be deemed to be served on the return of the Secretary of State and the action shall proceed as provided in the Rules of Civil Procedure.

(4) When the exercise of personal jurisdiction is authorized by this section, any action or suit may be brought in the county wherein the plaintiff resides or where the cause of action or any part thereof arose.

(5) A court of this Commonwealth may exercise jurisdiction on any other basis authorized in the Kentucky Revised Statutes or by the Rules of Civil Procedure, notwithstanding this section.

The Committee on Banking and Insurance reported **SB 93** with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

SB 93, AN ACT relating to revolving credit.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. A new section of Chapter 360 of the Kentucky Revised Statutes is created to read as follows:

As used in this Act, unless the context otherwise requires:

(1) "Bank" means a bank, trust company or combined bank and trust company organized under the laws of this state or of the United States, or any assignee of the bank's rights under a revolving credit plan.

(2) "Credit card" means any instrument or device, whether

known as a credit card, credit plate, credit number or by any other name, issued for use in obtaining money, goods, services or anything else of value on credit.

(3) "Debtor" means a person to whom or for whose benefit credit is extended pursuant to a revolving credit plan and any other person having actual, implied or apparent authority to obtain extensions of credit under such plan for the debtor.

(4) To "extend credit" or "extension of credit" means the right granted by a bank to a debtor to defer payment of debt, incur debt and defer its payment, or purchase goods, services or anything else of value and defer payment therefor pursuant to a revolving credit plan.

(5) "Finance charge" means the sum of all charges, payable directly or indirectly by the debtor, and imposed directly or indirectly by a bank as an incident to an extension of credit pursuant to a revolving credit plan, including interest and any amount payable under a point, discount or other system of additional charges, service or carrying charges, loan fee, finder's fee or similar charge, fees for an investigation or credit report or premiums or other charges required by the bank to be purchased from or through it or an agency named by it for any guarantee or insurance protecting the bank against the debtor's default or other credit loss. The term does not include amounts, if any, collected by the bank, or included in the extension of credit which are fees and charges prescribed by law which actually are or will be paid to public officials for determining the existence of or for perfecting or releasing or satisfying any security related to credit extended pursuant to the plan or taxes.

(6) "Revolving credit plan" or "plan" means an arrangement between a bank and a debtor pursuant to which:

(a) The bank may extend credit to the debtor by permitting the debtor to make purchases of goods, services and anything else of value or obtain loans, from time to time, directly from the bank or indirectly by use of a credit card, check or other device, as the plan may provide;

(b) The unpaid balances of purchases made, the principal of loans obtained and finance and other appropriate charges are debited to the debtor's account;

(c) A finance charge, if made, is not pre-computed, but is computed on the outstanding unpaid balances of the debtor's account from time to time; and

(d) The bank renders bills or statements to the debtor at regular intervals, which need not be a calendar month (the "billing cycle"), the amount of which bills or statements is payable by and due from the debtor on a specified date stated in such bill or statement or, at the debtor's option, may be paid in installments.

Section 2. A new section of Chapter 360 of the Kentucky Revised Statutes is created to read as follows:

(1) A revolving credit plan, and all extensions of credit thereunder, may take such form and contain such provisions, not inconsistent with this Act or otherwise prohibited by law, as the bank may from time to time establish and the debtor may accept, and each extension of credit made by the bank pursuant to such plan, evidenced in any manner provided in such plan, shall be evidence of a loan, which may be prepaid by the debtor in whole or in part at any time, made by the bank to the debtor in the amount advanced by the bank.

(2) Before opening any account under a revolving credit plan, the bank shall deliver or mail to the debtor a statement of the provisions of the plan containing, to the extent applicable, such information as may be required to be disclosed pursuant to KRS 360.210 to KRS 360.265 and Title I of the Federal Consumer Credit Protection Act of 1968 (Public Law 90-321) and any amendments, additions or replacements thereto in effect after the effective date of this Act and containing a statement that the debtor may pay the unpaid balance of his account in whole or in part at any time. If two or more persons, all of whom have the same residence are authorized to obtain extensions of credit under the plan, the statement of provisions of the plan shall be delivered or mailed to one of such persons as may be designated in the plan, and the billing statements required by Section 3 of this Act shall be rendered to such person.

(3) A statement of the provisions of a revolving credit plan in effect prior to the effective date of this Act delivered or mailed to a debtor prior to such effective date shall constitute, and be

deemed to be, compliance with the provisions of subsection (2) of this section, if such revolving credit plan complies with the provisions of this Act and such statement disclosed the information required by said subsection (2).

Section 3. A new section of Chapter 360 of the Kentucky Revised Statutes is created to read as follows:

For each billing cycle at the end of which there is an outstanding balance in the debtor's account or with respect to which a charge permitted by this Act is imposed, the bank shall render a statement to the debtor containing, to the extent applicable, such information as may be required to be included therein pursuant to KRS 360.210 to KRS 360.265 and Title I of the Federal Consumer Credit Protection Act of 1968 (Public Law 90-321) and any amendments, additions or replacements thereto in effect after the effective date of this Act and a legend to the effect that the debtor may at any time pay the aggregate balance owing by him or any part thereof.

Section 4. A new section of Chapter 360 of the Kentucky Revised Statutes is created to read as follows:

Notwithstanding the provisions of any other law, a bank may receive or contract to receive and collect a finance charge pursuant to a revolving credit plan in an amount not in excess of 1-and-½ percent per month of either the average daily unpaid balance of the debtor's account under such plan during the billing cycle, or of the unpaid balance of such account on the same day of each billing cycle. If the billing cycle is other than monthly, the maximum finance charge for such billing cycle shall be the percentage which bears the same relation to 1-and-½ percent as the number of days in the billing cycle bears to thirty. A variation of not more than four days from billing cycle to billing cycle shall be deemed "the same day of each billing cycle."

Section 5. A new section of Chapter 360 of the Kentucky Revised Statutes is created to read as follows:

In connection with a cash advance loan to a cardholder, the bank may charge either $1.00 for each $25.00 or fraction thereof, but not to exceed $5.00, of the advance so made or a finance charge permitted under Section 4 of this Act for the billing cycle prior to the date of the debtor's first periodic statement in which such loan is included.

Section 6. A new section of Chapter 360 of the Kentucky Revised Statutes is created to read as follows:

Except as provided in this Act, no further amounts shall be directly or indirectly charged, contracted for, or received by the bank for the extension of credit or the forbearance of collection of debt pursuant to any revolving credit plan or any extensions of credit thereunder.

Section 7. A new section of Chapter 360 of the Kentucky Revised Statutes is created to read as follows:

The provisions of this Act shall not invalidate or make unlawful any revolving credit plan or extensions of credit thereunder in effect or made prior to the effective date of this Act.

Section 8. A new section of Chapter 360 of the Kentucky Revised Statutes is created to read as follows:

(1) Any person who willfully makes charges in excess of those permitted by this Act shall be guilty of a misdemeanor and upon conviction shall be punished by a fine not exceeding $500.00 or by imprisonment for not more than six months, or both.

(2) Any bank who violates any provision of this Act, except as a result of an accidental or bona fide error shall be barred from the recovery of any finance charges permitted by Sections 4 and 5 of this Act, and the debtor, or his legal representatives, may recover back, in an action against the bank, any amounts paid to the bank on account of such finance charge; provided such action is commenced within two years from the date such violation first occurred; but the bank may nevertheless recover from the debtor an amount equal to the principal of extensions of credit made pursuant to a revolving credit plan and any charges not prohibited by Section 6 of this Act.

(3) Notwithstanding the provisions of subsections (1) and (2) of this section, any failure, other than a willful and intentional failure, to comply with any provisions of this Act may be corrected during the billing cycle next succeeding the receipt by the bank of written notice thereof from the debtor, and if so corrected, the bank shall not be subject to any penalty under this Act.

The Committee on Highways and Traffic Safety reported

HB 671 and **SB 156** with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 671, AN ACT relating to the use of state right-of-ways.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. A new section of Chapter 177 of the Kentucky Revised Statutes is created to read as follows:

No person or organization, including charitable organizations, shall use the state right-of-ways acquired by the Department of Highways for any purposes other than those permitted to the general public without first obtaining a written permit from the Department of Highways. Nothing contained herein shall be construed as amending existing provisions relating to egress and ingress to commercial or private property adjacent to state highways.

Section 2. Section 177.990 of the Kentucky Revised Statutes is amended to read as follows:

(1) Any person or organization who violates the provisions of Section 1 of this Act shall be fined not less than twenty-five dollars nor more than five hundred dollars for each offense.

(2) [(1)] Any person who violates any of the provisions of KRS 177.220 to 177.310 shall be guilty of a misdemeanor and upon arrest and conviction therefor, shall be punished by a fine of not less than five dollars nor more than one hundred dollars, or by imprisonment in the city or county jail for not less than five days nor more than ninety days, or by both such fine and imprisonment.

(3) [(2)] Any person who willfully violates any of the provisions of KRS 177.830 to 177.890 shall, in addition to any other penalty herein provided, be fined not less than one hundred dollars nor more than five hundred dollars.

(4) [(3)] In addition to any other penalty provided by KRS 177.905 to 177.950, any person violating any order or provision of KRS 177.905 to 177.950 shall be guilty of a misdemeanor and upon conviction shall be punished by a fine of not less than

one hundred dollars and not more than one thousand dollars. Each day of violation of the provisions of KRS 177.905 to 177.950 shall constitute a separate offense.

SB 156, AN ACT relating to motor vehicles.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. A new section of chapter 189 of the Kentucky Revised Statutes is created to read as follows:

(1) As used in this Act, "emergency vehicle" means any vehicle used for emergency purposes by a fire department; any vehicle used for emergency purposes by the state police, a public police department, or sheriff's office; any vehicle used for emergency purposes by a rescue squad; any publicly owned vehicle used for emergency purposes by a civil defense agency; ambulances; any vehicle comandeered by a police officer; or any motor vehicle used by a volunteer fireman while responding to an emergency.

(2) As used in this Act, "public safety vehicle" means public utility repair vehicle; wreckers; state, county, or municipal; service vehicles and equipment; highway equipment which performs work that requires stopping and standing or moving at slow speeds within the traveled portions of highways; and vehicles which are escorting wide-load or slow moving trailers or trucks.

Section 2. A new section of chapter 189 of the Kentucky Revised Statutes is created to read as follows:

(1) All fire department, rescue squad or publicly owned civil defense agency emergency vehicles and all ambulances shall be equipped with one or more flashing, rotating, or oscillating red lights, visible under normal atmospheric conditions from a distance of five hundred feet to the front of such vehicle, and a siren, whistle, or bell, capable of emitting a sound audible under normal conditions from a distance of not less than five hundred feet. This equipment shall be in addition to any other equipment required by the motor vehicle laws.

(2) All state, county, or municipal police vehicles and all

sheriff's vehicles used as emergency vehicles shall be equipped with one or more flashing, rotating, or oscillating blue lights, visible under normal atmospheric conditions from a distance of five hundred feet to the front of such vehicle, and a siren, whistle, or bell, capable of emitting a sound audible under normal conditions from a distance of not less than five hundred feet. This equipment shall be in addition to any other equipment required by the motor vehicle laws.

(3) All public safety vehicles shall be equipped with one or more flashing, rotating, or oscillating yellow lights, visible under normal atmospheric conditions from a distance of five hundred feet to the front of such vehicle. Yellow flashing, rotating, or oscillating lights may also be used by vehicles operated by mail carriers while on duty, funeral escort vehicles, and church busses.

(4) Red flashing lights may be used by school busses.

(5) No emergency vehicle, public safety vehicle, or any other vehicle covered by this Act shall use any light of any other color than those specified by this Act. Sirens, whistles, and bells may not be used by vehicles other than those specified by this Act, except that any vehicle may be equipped with a theft alarm signal device which is so arranged that it cannot be used by the driver as an ordinary warning signal.

Section 3. A new section of Chapter 189 of the Kentucky Revised Statutes is created to read as follows:

(1) Upon the approach of an emergency vehicle equipped with, and operating, one or more flashing, rotating, or oscillating red or blue lights, visible under normal conditions from a distance of five hundred feet to the front of such vehicle; and the driver is given audible signal by siren, exhaust whistle, or bell, the driver of every other vehicle shall yield the right of way, immediately drive to a position parallel to, and as close as possible to, the edge or curb of the highway clear of any intersection, and stop and remain in such position until the emergency vehicle has passed, except when otherwise directed by a police officer or firefighter.

(2) Upon the approach of any emergency vehicle, operated in conformance with the provisions of paragraph (1) of this

section, the operator of every vehicle shall immediately stop clear of any intersection and shall keep such position until the emergency vehicle has passed, unless directed otherwise by a police officer or firefighter.

(3) No operator of any vehicle, unless he is on official business, shall follow any emergency vehicle being operated in conformance with the provisions of paragraph (1) of this section closer than five hundred feet, nor shall he drive into, or park the vehicle into, or park the vehicle within, the block where the vehicle has stopped in answer to an emergency call or alarm unless he is directed otherwise by a police officer or firefighter.

(4) No vehicle, train, or other equipment shall be driven over any unprotected hose of a fire department when the hose is laid down on any street, private driveway, or track for use at any fire or fire alarm unless the fire department official in command consents that the hose be driven over.

Section 4. A new section of Chapter 189 of the Kentucky Revised Statutes is created to read as follows:

(1) The prima facie speed limitations set forth in the Kentucky Revised Statutes do not apply to emergency vehicles when responding to emergency calls or to police vehicles when in pursuit of an actual or suspected violator of the law and when the drivers thereof are operating the vehicle's warning lights and are giving audible signals by siren, bell, or exhaust whistle.

(2) The driver of an emergency vehicle, when responding to an emergency call or of a police vehicle in pursuit of an actual or suspected violator of the law and giving the warning required by subsection (1) of this section, upon approaching any red light or stop signal or any stop sign shall slow down as necessary for safety to traffic, but may proceed past such red or stop light or stop sign with due regard for the safety of persons using the street or highway.

(3) The driver of an emergency vehicle, when responding to an emergency call or of a police vehicle in pursuit of an actual or suspected violator of the law and giving warning required by subsection (1) of this section, may drive on the left side of any highway or on the opposite direction of a one way street provided the normal lanes of traffic are blocked and he does so

with due regard for the safety of all persons using the street or highway.

(4) The driver of an emergency or public safety vehicle may stop or park his vehicle upon any street or highway without regard to the provisions of sections 189.390 and 189.450 of the Kentucky Revised Statutes, provided that, during the time the vehicle is parked at the scene of an emergency, that at least one warning light is in operation at all times.

(5) No driver or operator of any emergency or public safety or other vehicle shall use the warning lights or siren, bell, or exhaust whistle of his vehicle for any purposes or under any circumstances other than those permitted by this Act.

(6) This Act does not relieve the driver of any emergency or public safety vehicle from the duty to drive with due regard for the safety of all persons and property upon the highway.

Section 5. A new section of Chapter 189 of the Kentucky Revised Statutes is created to read as follows:

(1) No motor vehicle, except those designated under this Act as emergency vehicles, shall be equipped with, nor shall any person use upon a vehicle, any siren, whistle, or bell. Any vehicle may be equipped with a theft alarm signal device which shall be so arranged that it cannot be used as an ordinary warning signal.

(2) No motor vehicle, except those designated under this Act as emergency vehicles, shall be equipped with, nor shall any person use upon a vehicle any red or blue flashing, revolving, or oscillating light or place red light on the front thereof. This subsection shall not apply to the use of red flashing lights on school busses or to stop lights or turn signals at the rear of any motor vehicle.

(3) No motor vehicle, except those designated under this Act as public safety vehicles, shall be equipped with, nor shall any person use upon any vehicle any yellow flashing, revolving, or oscillating light. This subsection shall not apply to the use of yellow lights for turn signals; or to emergency flasher lights for use when warning the operators of other vehicles of the presence of a vehicular traffic requiring the exercise of unusual care in

approaching, overtaking, or passing; or to vehicles operated by mail carriers while on duty; funeral escort vehicles and church busses.

(4) Any person who is a regular or voluntary member of any fire department furnishing fire protection for a political subdivision of the state or any person who is a regular or voluntary member of a rescue squad may equip his vehicle with red flashing, rotating, or oscillating lights and a siren, bell, or exhaust whistle if he has first been given permission, in writing, to do so by the chief of the fire department or rescue squad. He may use such lights and equipment only while proceeding to the scene of a fire or other emergency in the performance of his official duties as a member of a fire department or rescue squad.

Section 6. A new section of Chapter 189 of the Kentucky Revised Statutes is created to read as follows:

(1) Any person who violates section two of this Act shall be fined not less than $100 nor more than $1,000, or imprisoned in the county jail for not more than 30 days, or both. In the case of a private vehicle, all lighting and other equipment used in violation of this Act shall be confiscated and forfeited to the county in which the offense occurred.

(2) Any person who violates section three of this Act shall be fined not less than $50 nor more than $500, or be imprisoned in the county jail for not more than 30 days, or both.

(3) Any person who violates section four of this Act shall be fined not less than $50 nor more than $1,000 or be imprisoned in the county jail for not more than 6 months, or both. In the case of a private vehicle, all lighting and other equipment used in violation of this Act shall be confiscated and forfeited to the county in which the offense occurred.

(4) Any person who violates section 5 of this Act shall be fined not less than $100 nor more than $1,000 or be imprisoned in the county jail for not more than 30 days, or both. In the case of a privately owned vehicle, all lighting and other equipment used or installed in violation of this act shall be confiscated and forfeited to the county in which the offense occurred.

(5) If a member of a regular or voluntary fire department or rescue squad violates any provisions of subsection (4) of section 4 of this Act, he shall, in addition to any other penalty provided under this Act, be immediately dismissed from his membership or employment with the fire department or rescue squad and shall be disqualified from being employed by or being a member of any fire department or rescue squad in the Commonwealth for a period of three years. Upon conviction of a second offense he shall be permanently barred from employment or membership in any fire department, rescue squad, police department, or sheriff's office in the Commonwealth, nor shall he be permitted to operate any public safety vehicle as defined in this Act.

Section 7. Section 189.011 of the Kentucky Revised Statutes is amended to read as follows:

(1) As used in this chapter the following words and phrases shall have the meanings respectively ascribed to them:

(a) "Authorized emergency vehicle" shall mean any [police vehicle at all times or an ambulance and fire apparatus when operated in connection with an emergency.] *vehicle designated as such by this Act.*

(b) "Wrecker" shall mean a motor vehicle on which a wrecking crane and other equipment suitable for motor vehicle wrecker service has been permanently mounted.

Section 8. Section 189.040 of the Kentucky Revised Statutes is amended to read as follows:

(1) Every motor vehicle other than a motorcycle or motor-driven cycle shall be equipped with at least two head lamps with at least one on each side of the front of the motor vehicle, which head lamps shall comply with the requirements and limitations set forth in this section.

(2) Every motorcycle and every motordriven cycle shall be equipped with at least one and not more than two head lamps which shall comply with the requirements and limitations of this section.

(3) Except as hereinafter provided, the head lamps or the auxiliary driving lamps or the auxiliary passing lamp or combina-

tions thereof on motor vehicles other than a motorcycle or motor-driven cycle shall be so arranged that the driver may control the selection between distribution of light projected to different elevations, subject to the following requirements and limitations;

(a) There shall be an uppermost distribution of light, or composite beam, so aimed and of such intensity as to reveal persons and vehicles at a distance of at least three hundred and fifty feet ahead for all conditions of loading;

(b) There shall be a lowermost distribution of light, or composite beam so aimed and of sufficient intensity to reveal persons and vehicles at a distance of at least one hundred feet ahead; and on a straight level road under any condition of loading none of the high-intensity portion of the beam shall be directed to strike the eyes of an approaching driver;

(c) Every new motor vehicle, other than a motorcycle or motor-driven cycle, registered in this state after January 1, 1956, which has multiple-beam road-lighting equipment shall be equipped with a beam indicator, which shall be lighted whenever the uppermost distribution of light from the head lamps is in use, and shall not otherwise be lighted. Said indicator shall be so designed and located that when lighted it will be readily visible without glare to the driver of the vehicle so equipped.

(4) Whenever a motor vehicle is being operated on a roadway or shoulder adjacent thereto during the times specified in KRS 189.030, the driver shall use a distribution of light, or composite beam, directed high enough and of sufficient intensity to reveal persons and vehicles at a safe distance in advance of the vehicle, subject to the requirements and limitations hereinafter set forth.

(5) Whenever a driver of a vehicle approaches an oncoming vehicle within five hundred feet, such driver shall use a distribution of light, or composite beam, so aimed that the glaring rays are not projected into the eyes of the oncoming driver. The lowermost distribution of light, or composite beam, specified in paragraph (b) of subsection (3) of this section above shall be deemed to avoid glare at all times, regardless of road contour and loading.

(6) Whenever the driver of a vehicle follows another ve-

hicle within two hundred feet to the rear, except when engaged in the act of overtaking and passing, such driver shall use a distribution of light permissible under KRS 189.340 (5), 189.370 (1), 189.375 and 189.560 (3) other than the uppermost distribution of light specified in paragraph (a) of subsection (3) of this section.

(7) Headlights arranged to provide a single distribution of light not supplemented by auxiliary driving lights shall be permitted on motor vehicles manufactured and sold prior to May 30, 1939, in lieu of multiple-beam road lighting equipment, if the single distribution of light complies with the following requirements and limitations:

(a) The headlights shall be so aimed that when the vehicle is not loaded none of the high intensity portion of the light shall, at a distance of twenty-five feet ahead, project higher than a level of five inches below the level of the center of the light from which it comes, and in no case higher than forty-two inches above the level on which the vehicle stands, at a distance of seventy-five feet ahead;

(b) The intensity shall be sufficient to reveal persons and vehicles at a distance of at least two hundred feet;

(c) Whenever the operator of a motor vehicle approaches an oncoming vehicle within five hundred feet, he shall use a distribution of light or composite beam so aimed that the glaring rays are not projected into the eyes of the oncoming driver. In no case shall the high intensity portion which is projected to the left of the prolongation of the extreme left side of the vehicle be aimed higher than the center of the lamp from which it comes at a distance of twenty-five feet ahead, and in no case higher than a level of forty-two inches above the level upon which the vehicle stands at a distance of seventy-five feet ahead.

(8) Flashing lights are prohibited on all motor vehicles except as a means for indicating a right or left turn or for the purpose of warning the operators of other vehicles of the presence of a vehicular traffic hazard requiring the exercise of unusual care in approaching, overtaking or passing. [This subsection shall not apply to authorized emergency vehicles or wreckers; to public utility repair vehicles at the scene of an emergency repair job; to county or municipal service equipment; to any

vehicles operated by mail carriers while on duty; to highway equipment while performing work that requires stopping and standing or moving at slow speeds within the traveled portions of highways; or to school buses or church buses.]

[(9) No person shall drive or move any vehicle or equipment upon any highway with any lamp or device thereon displaying a red light visible from directly in front. This subsection shall not apply to authorized emergency vehicles; to school buses or church buses.]

[(10) All wreckers when in use at the scene of a motor vehicle accident shall display at least one yellow flashing light clearly visible to all vehicles approaching the scene of the accident.]

(9) [(11)] Bicycles need have only one light in front which will reveal clearly substantial objects at least fifty feet ahead.

Section 9. Section 189.080 of the Kentucky Revised Statutes is amended to read as follows:

(1) Every motor vehicle and bicycle, when in use on a highway shall be equipped with a horn or other device capable of making an abrupt sound sufficiently loud to be heard under all ordinary traffic conditions. Every person operating an automobile or bicycle shall sound the horn or sound device whenever necessary as a warning of the approach of such vehicle to pedestrians, or other vehicles, but shall not sound the horn or sound device unnecessarily. *A bell may be used on a bicycle.*

[(2) No vehicle shall be equipped with, nor shall any person use upon a vehicle, any siren, whistle or bell, except as permitted in this subsection or in subsection (3) of this section. Any commercial vehicle may be equipped with a theft alarm signal device which is so arranged that it cannot be used by the driver as an ordinary warning signal. Any authorized emergency vehicle may be equipped with a siren, whistle or bell, capable of emitting sound audible under normal conditions from a distance of not less than five hundred feet and of a type approved by the department, but the siren shall be used only when the vehicle is operated in response to an emergency call or in the immediate pursuit of an actual or suspected violator of the

law, in which event the driver shall sound the siren when necessary to warn pedestrians and other drivers of the approach of the vehicle.]

[(3) Any person who is a regular or voluntary member of a department furnishing fire protection for a political subdivision of the state and who obtains a written permission of the governing body of that political subdivision may equip his private automobile with a siren and flashing lights, and may use such equipment, in the manner prescribed in subsection (2) of this section, while proceeding to the scene of a fire in the performance of his official duties as a member of a fire department.]

[(4) No driver or operator of a vehicle equipped with a siren, whistle, bell, or flashing lights under the provisions of subsection (2) or (3) of this section shall use such equipment for any purposes other than authorized in those subsections.]

Section 10. Section 189.390 of the Kentucky Revised Statutes is amended to read as follows:

(1) No operator of a vehicle upon a highway shall drive at a greater speed than is reasonable and prudent, having regard for the traffic and for the condition and use of the highway.

(2) Where no condition exists that requires lower speed for compliance with subsection (1) of this section, the speed of any vehicle not in excess of the limits specified in this section or established as hereinafter authorized shall be lawful, but any speed in excess of the limits specified in this section or established as hereinafter authorized shall be unlawful:

(a) For all vehicles other than motor trucks, semitrailer trucks, or motor vehicles of five horsepower or less, thirty-five miles per hour in any business or residential district, sixty miles per hour in other locations during the daytime and fifty miles per hour in other locations during the nighttime;

(b) For motor truck and semitrailer trucks, thirty-five miles per hour in any business or residential district, fifty miles per hour in other locations.

(c) For motor vehicles of five horsepower or less, thirty-five miles per hour in any location.

(3) Whenever the Commissioner of Highways shall determine upon the basis of an engineering and traffic investigation that any speed limit hereinbefore set forth is greater or less than is reasonable or safe under the conditions found to exist at any intersection or upon any part of a state highway within or without the corporate limits of a municipality, said Commissioner of Highways may determine and establish by official order a reasonable and safe speed limit at such location which shall be effective at all times or during hours of daytime or nighttime, or at such other times as may be determined when appropriate signs giving notice thereof are erected at such intersection or part of the state highway. In no event, however, shall said commissioner increase any speed limit established by subsection (2) of this section so as to permit in any instance a speed limit in excess of sixty miles per hour.

(4) (a) Whenever municipal authorities or the county court of any county containing a city of the first class or second class determine upon the basis of an engineering and traffic investigation that the speed permitted under subsection (2) of this section is greater or less than is reasonable or safe under the conditions found to exist, at any location within the municipality or unincorporated areas of such county, such municipal authority or county court, subject to paragraph (b) of this subsection, shall determine and authorize by ordinance or order a reasonable and safe speed limit at such location which shall be effective at all times or during hours of daytime or nighttime, or at such times as may be determined when appropriate signs giving notice thereof are appropriately erected at such location. In no event, however, shall said municipal authority or county court increase any speed limit established by subsection (2) of this section so as to permit in any instance a speed limit in excess of sixty miles per hour.

(b) Alteration of speed limits on state highways within a municipality by municipal authorities or within the unincorporated areas of counties containing a city of the first class or second class by county courts thereof shall not be effective until such alteration has been approved by the Commissioner of Highways. In no event shall said commissioner approve any alteration which could increase any speed limit established by subsection (2) of

this section so as to permit in any instance a speed limit in excess of sixty miles per hour.

(c) Whenever the county court of any county containing a city of the first class or second class determines upon the basis of an engineering and traffic investigation and study that it is unsafe to park motor vehicles on or along any highway, other than a state highway, within the unincorporated areas of the county, or that in any business district the congestion of traffic justifies a reasonable limitation on the length of time any one motor vehicles is permitted to park in such district so as to reduce such congestion, then the county court may by order establish "no parking" areas on and along said highway, or limit the length of time any motor vehicle may be parked in any business district, which order or orders shall be effective at all times and during hours of daytime or nighttime and at such other times as may be determined when appropriate signs giving notice thereof are erected at such locations.

(d) Notwithstanding the other limitations in this subsection, the Commissioner of Highways may establish, by official order, reasonable and safe speed limits on turnpikes and limited access state highways not to exceed seventy miles per hour.

(5) No person shall drive a motor vehicle at such a slow speed as to impede or block the normal and reasonable movement of traffic except when reduced speed is necessary for safe operation or in compliance with law.

[(6) The speed limitations set forth in this section shall not apply to an authorized emergency vehicle when responding to an emergency call, or when responding to but not upon returning from a fire alarm, and the driver thereof sounds audible signal by bell, siren, or exhaust whistle, and when such emergency vehicle is equipped with at least one lighted lamp exhibiting red lights or blue lights visible under normal atmospheric conditions from a distance of five hundred feet to the front of such vehicle. This provision shall not relieve the driver of an authorized emergency vehicle from the duty to drive with due regard for the safety of all persons using the street, nor shall it protect the driver of any such vehicle from the consequences of a reckless disregard of the safety of others.]

(6) [(7)] In every charge for a violation of any speed

limit specified in this section or established as herein authorized, the warrant or citation shall specify the speed at which the defendant is alleged to have driven, also the lawful speed limit applicable at the location where the violation is charged to have occurred.

(7) [(8)] As used in this section, the following words and phrases shall have the meanings respectively ascribed to them:

(a) "Business district," the territory contiguous to and including a highway when within any six hundred feet along such highway there are buildings in use for business or industrial purposes which occupy three hundred feet of frontage on one side or three hundred feet collectively on both sides of the highway;

(b) "Residential district," the territory contiguous to and including a highway not comprising a business district when the property on such highway for a distance of three hundred feet or more is in the main improved with residences or residences and buildings in use for business;

(c) "State highway," a highway or street maintained by the Department of Highways;

(d) "Nighttime," the period from one-half hour after sunset until one-half hour before sunrise, and at such other periods as atmospheric conditions render visibility as low as or lower than is ordinarily the case during that period; daytime means at any other period.

(8) [(9)] The signs and notices which the county judge is authorized hereby to have erected shall be paid for by the fiscal court out of the county levy.

Section 11. Section 189.450 of the Kentucky Revised Statutes is amended to read as follows:

(1) No person shall stop a vehicle, leave it standing or cause it to stop or to be left standing upon the main traveled portion of a highway; provided, however, that this section shall not be construed to prevent parking off the main traveled portion of a highway or street in a city or suburban area where such parking is otherwise permitted. This subsection shall not apply to:

(a) A vehicle that has been disabled on the main traveled portion of such a highway in such a manner and to such extent that it is impossible to avoid the occupation of the main traveled portion or impracticable to remove it from the highway until repairs have been made or sufficient help obtained for its removal. [and shall not apply to wreckers at the scene of accidents or emergency vehicles];

(b) Motor vehicles when required to stop in obedience to the provisions of any section of the Kentucky Revised Statutes or any traffic ordinance, regulation or sign or the command of any peace officer;

(c) Vehicles operating as common carriers of passengers for hire and school busses taking passengers on such vehicle or discharging passengers therefrom, provided that no such vehicle shall stop for such purposes at a place on the highway which does not afford reasonable visibility to approaching motor vehicles from both directions.

(d) Any vehicle required to stop by reason of an obstruction to its progress.

(2) Whenever any police officer finds a vehicle standing upon such a highway in violation of this section, he may move the vehicle, or require the operator or other person in charge of the vehicle to move it, to a position off the paved or improved or main traveled part of the highway.

(3) Whenever any police officer finds a vehicle unattended upon any bridge or causeway or in a tunnel where the vehicle constitutes an obstruction to traffic, the officer may provide for the removal of the vehicle to the nearest garage or other place of safety.

(4) No person shall stop or park a vehicle except when necessary to avoid conflict with other traffic or in compliance with the directions of a police officer or traffic control device, in the following places:

(a) On a sidewalk;

(b) In front of a public or private driveway;

(c) Within intersection;

(d) At any place where official signs prohibit stopping; or

(e) Within thirty feet upon the approach to any flashing beacon, stop sign or traffic control signal located at the side of a roadway.

(5) No person shall move a vehicle not lawfully under his control into any such prohibited area.

Section 12. The following sections of the Kentucky Revised Statutes are hereby repealed:

KRS 75.190, 75.200, 75.210, 75.220, 75.230, 189.047, 189.320, and 189.460.

Section 13. A new section of Chapter 189 of the Kentucky Revised Statutes is created to read as follows:

This Act shall become effective as to all portions on the normal effective date except that police departments, fire departments, rescue squads, wreckers, and others required to meet the lighting requirements described herein shall have 120 days from the effective date of this Act as an additional time within which to comply with the requirements.

The Committee on Rules reported **HB 57**, with Committee Substitute attached thereto, has been recommitted to the Committee on Education for the purpose of further consideration in determining constitutionality.

Representative DeMarcus requested that the following messages from Governor Louie B. Nunn be spread upon the Journal in their entirety. Agreed.

PROTECTION OF THE
KENTUCKY CONSUMER
MESSAGE

from

The Governor of the Commonwealth of Kentucky
Transmitting

The message on Consumer Protection in Kentucky enumerating the steps taken to achieve present progress and setting forth a new program for 1970.

To the 1970 Kentucky General Assembly:

I present to the 1970 Kentucky General Assembly a program to protect and further the interests of the Kentucky consumer.

It has been observed that while some Kentuckians have their interests protected in Frankfort by special professional groups, it is left to the General Assembly, the Governor, and the Judiciary to speak for every citizen regarding consumer protection.

The Kentucky Consumer Affairs Commission has examined the existing statutes of this state with a special awareness of the major problems confronting the Kentucky consumer. The legislation I am recommending to the General Assembly today is based on their report.

The growth of the consumer movement in this country has been a phenomenon of no small proportion. Until recent years, protection of the consumer was relegated to licensing and regulatory agencies, local trade groups, and industry associations, whose primary goal was to achieve integrity in the business community.

Within recent years, however, the pendulum of public concern has swung toward a more consumer-oriented posture.

We heartily endorse this trend. We believe that the time has come to accord full recognition and justice to the American consumer.

The solution to consumer problems will not and should not come from federal initiative. Accordingly, thirty-one states have implemented consumer protection programs. Consumer legislation has been introduced in all 50 states during the last five years and in many cases, laws enacted by state legislatures have been more progressive, more specific, and more protective than any legislation attempted at the national level.

In this respect, Kentucky's record in the area of constructive legislation is distinguished. For example, the 1968 Kentucky Legislature enacted two comprehensive insurance laws. . . . the *Unauthorized Insurers Act,* and the *Auto Cancellation Act.* . . . which considerably strengthen the state's protection of the consumer.

The wisdom and foresight of the Kentucky lawmakers also

was evidenced by the passage of a state Truth-In-Lending Act and a milestone Meat Inspection Law.

These bills are excellent examples of general, comprehensive, enforceable legislation that forms the basis for a sound consumer protection program.

Yet, there is much more to be accomplished. Every day, the American marketplace offers more abundance, becomes more impersonal, grows more complex and demands more buying skills of the consumer.

In addition to the important legislation enacted by the last two General Assemblies, the establishment of the Kentucky Consumer Affairs Commission has been an historic step toward full protection of the public and has enabled Kentucky to attain leadership in this field.

The Kentucky Consumer Affairs Commission was established to aid and to represent the buying public of Kentucky and to insure that the voice of the consumer sounded loud, clear, uncompromising and effective in the highest councils of this state.

They have performed excellently.

During the last 18 months, the Kentucky Consumer Affairs Commission has been continuously and intimately involved in working with and for the consumer in Kentucky.

—They have taken a close look at the State Departments of Health, Agriculture, Insurance and Banking in order to discover exactly how the consumer-oriented agencies in state government are really protecting the taxpayer.

—The Commission has worked closely with the business community in an attempt to encourage re-evaluation of practices and policies in the interest of improving responsiveness to consumer demands.

—The Commission has been able to involve an increasing number of private organizations with vast resources and technical skill in a concerted effort to educate the consumer.

—It has provided a voice for the Kentucky consumer in the national councils of our nation.

—It has studied the efforts of other states.

—And most importantly, it has pioneered a unique, effective program of consumer education studied and praised by national organizations and considered as a model for a national effort.

This commission has succeeded in humanizing the machinery of government to overcome indifference to consumer problems and in developing and implementing a comprehensive consumer program for the 1970's.

Today, as we reflect on our efforts, it is evident that much has been accomplished. The Kentucky consumer today has a greater stature in the marketplace, a more powerful voice in the legislative halls, and more protection in our courts of Justice. Yet, it is also evident that more remains to be done.

The needs of the consumer change as our society changes and legislation must keep pace.

For 1970 I propose to the General Assembly a seven-point program:

—A *Deceptive Trade Practices Act* to provide Kentucky's law enforcement officials with more effective and speedier remedies to protect Kentucky consumers from thirteen common deceptive trade practices.

—A *State Credit Card Crime Act* to provide criminal punishment for credit card theft, forgery and abuse.

—An *Unsolicited Credit Card Act* to eliminate the proliferation of unsolicited credit cards that are irresponsibly flooding the marketplace.

—An Act to declare unsolicited goods a gift to the receiver and thereby eliminate this deceptive marketing technique.

—The strict regulation of debt-pooling agencies.

—To establish a Poultry and Rabbit Product Inspection System for the protection of every Kentuckian.

—Strong, strident and effective opposition to the proposed revision of the Insurance Code that would provide for 'Open Competition' and effectively eliminate any protection for the Kentuckian who purchases insurance.

As we contemplate the need for additional consumer protection, however, we must also recognize that we are interested not only in protecting ourselves as consumers, but also in preserving and strengthening the competitive free enterprise system.

Therefore, our approach to the question of consumer legislation is the approach of reason. We feel no substantial and lasting benefit will come to the taxpayer of Kentucky from a crusade based on invective, demagoguery, and emotionalism. No good can come to the consumer if we begin to enact poorly organized, catch-as-catch-can consumer legislation.

The legislation we recommend is sound. It takes account of the practical consideration involved. It is workable. It will give consumers very substantial public enforcement assistance and private remedies they have not had before. We believe it will provide a firm foundation for enforcement and further development.

It is our belief that the Kentucky lawmakers by enacting the legislation which we have here proposed can justly and proudly consider themselves leaders in protecting the citizens of the Commonwealth of Kentucky.

Your decisions, your votes, and your actions will determine whether Kentucky continues a progressive program to aid and to protect the Kentucky consumer, or whether the newly discovered political appeal of consumer protection will produce a torrent of inefficacious, unenforceable legislation that will aid no one and will only mislead the individual citizen to believe that he is being protected.

All reasonable forces for years have decried consumer fraud. It is long past time we turned our orations into action, lament into law, and exhortation of fraud into elimination of fraud.

This is not a partisan program, not a business program, not a labor program, but a program for all of us — all three million Kentuckians.

SPECIAL EDUCATION
A MESSAGE

from

Louie B. Nunn

Governor of the Commonwealth of Kentucky

Transmitting

The message relating to the development and coordination of programs for exceptional children, and expanding and clarifying the definition of "exceptional" children.

GOVERNOR LOUIE B. NUNN'S MESSAGE
on the
Special Education Program

I come to you to initiate legislation and to ask your support, as sensitive Kentuckians, for a noble and worthwhile cause—one which, if pursued, would brighten the futures of approximately 285,000 young Kentuckians, to say nothing of their families. This includes 27,435 children with speech handicaps, 4,521 with hearing handicaps, 7,635 with learning disabilities, 730 with visual handicaps, 2,919 who are crippled and have special health problems, 8,317 who are educable mentally retarded, 1,698 who are trainable mentally retarded, 1,593 who are emotionally disturbed. These children are not being served in today's classroom.

Add to this number about 214,000 functionally retarded. These are children who have the mental capacity to function as normal children but cannot because of other handicapping conditions, such as impoverished environment. Most of them are considered underachievers or failures in school. If we then combine about 15,000 gifted youngsters who are adequately served today, we have a figure equal to 33 per cent of the total elementary and secondary school age population in Kentucky.

For this reason, I am requesting authorization to implement the program I now present for approval by the General Assembly. My objective is to provide the focus needed for our exceptional children. With your help, we can begin to give these youngsters the chance in life that rightfully belongs to them.

By definition, *"exceptional children"* means children who differ in one or more respects from average or normal children in physical, mental, emotional or social characteristics and abilities to such a degree that it is impractical or impossible for them to benefit from, or participate in, the regular or usual facilities or classroom programs of the public schools.

I propose that this definition be clarified to include, though not being limited to, the neurologically impaired, the intellectually gifted, the emotionally disturbed, the functionally retarded, children with learning disabilities, communications disorders and those who are multiply handicapped.

The history of help for the exceptional child has been bleak. It will remain so unless we dedicate ourselves to its improvement. The transition of our society from agrarian to the urban scene of today, by its very nature, sophisticates life. A more complicated environment has also contributed a greater number of mentally disturbed to whom the state must give attention.

In molding a plan for Kentucky's exceptional children, the programs of other states have been considered and researched. To determine the effectiveness of each state's plan and the feasibility for adoption by Kentucky, a very intensive study was conducted by the Legislative Research Commission and the results were compiled and published. (Research Report #56)

Contributing to the study and planning related to special needs were six Action Committees for exceptional children, a part of the process of the White House Conference on Children and Youth. The Committees' membership was comprised of 55 lay citizens, youth and adult, who were assisted by a team of 93 professional consultants. Participation was entirely on a voluntary basis.

After studying the programs utilized by other states and after considering recommendations of the six Action Committees, we have assembled a comprehensive and pragmatic plan we feel best fits the temperament and needs of Kentucky's exceptional children. The program is flexible enough to envision future expansion.

THE PROGRAM:

A Task Force, to be known as the State Task Force, shall be established as an arm of the Human Resources Coordinating Council, the "Council". The State Task Force shall consist of eleven members with no more than five members drawn from the professional community, involved in the problems of exceptional children. It will be required that one member be appointed from the State Department of Education and one member from higher education who is involved in training of teachers of exceptional children.

Incorporated, non-profit organizations with a state-wide membership which endeavor to provide programs for exceptional children may recommend nominees to the Council. Each department representative on the Human Resources Coordinating Commission and the Medical Director for Handicapped Children or their designate shall serve in an advisory capacity to the State Task Force.

The members shall serve without compensation, although they shall be reimbursed for all necessary expenses.

The powers and duties of the State Task Force shall encompass:

a. surveying needs and resources available as they relate to the various facets of education of exceptional children.

b. recommending regulations to the Department of Education and other departments as they relate to the exceptional child.

c. employing independent professional organizations and staff for services not immediately available.

d. making recommendations to the Council, school boards and others relating to the exceptional child.

e. establishing regional Task Forces.
   (1) setting the terms of service for Regional members.
   (2) receiving and evaluation of the reports of Regional Task Forces.

f. serving in advisory capacity to the Department of Education, to LRC, and to the Human Resources Coordinating Commission and Council.

For expedient implementation of this program, it is felt that by July 1, 1971, each regional task force shall submit plans for accomplishing special educational programs. If a regional task force fails to submit such a plan, it shall be the duty of the State Task Force to prepare a plan and present it to the regional councils and State Council.

By December 1, 1971, the State Task Force shall submit its final reports to the Human Resources Coordinating Commission and Council which shall send the report to the Governor, to the State Board of Education, and to the Legislative Research Commission.

By July 1, 1974, all county and independent school boards shall operate special education programs as approved by the State Board of Education, after consideration of recommendations of the State Task Force and the Human Resources Coordinating Commission and Council.

Another alarming situation pertains to instructors in the area of special education. In Kentucky we produce only about 150 special education teachers annually. This, too, represents an area of grave concern. If we are to improve Kentucky's special education program, we must endeavor to attract more teachers to this field. We must work to awaken high school and college students, especially, to the possibilities awaiting them in this area.

It is my duty and your duty to see that our children develop to the fullest extent of their capabilities. If some of our children are exceptional or mentally gifted, the responsibility for their development remains with us. Therefore, I ask you to join me in the challange I have set before you.

GOVERNOR LOUIE B. NUNN'S MESSAGE ON EDUCATIONAL REFORM

Americans have always valued education. It has been predicted that history will record the public school system aimed toward education all at public expense as America's contribution to civilization.

It is a tribute to this unique and great system of education for all that society is increasingly looking to education to help solve its most complex problems. It seems abundantly clear today that the quality of life in America for all our citizens lies in the kind and quality of education provided. There has developed, because of the fact that education is so important and so crucial, a great outcry for reforms and improvements in the accomplishments of the public school system.

There is the demand to make education more relevant, more meaningful, more up-to-date, and more available to each and every one according to his needs, interests, and talents. Just recently an expert on computer systems speaking to every Commissioner and Agency Head in Kentucky Government predicted that by 1980 the labor market will change drastically because the computer will have become so integrated in industry. This means a different kind of education than we have today.

Kentuckians have always valued education. The history of education in Kentucky is exciting. Dramatic improvements have been made during the past decade and a half since the creation of the Foundation Program of Education by the citizens and the profession and enacted into law by the Kentucky General Assembly.

Just as we needed to remove the barriers that hindered our Minimum Foundation Program, so now we must remove some of the barriers that hinder our children's progress in meeting today's educational challenges.

I became involved in and personally aware of many significant efforts toward innovations, reform, and improvements in our schools during the project I initiated last year, "The Governor's Award for Outstanding Innovations." Those in the teaching profession involved most dramatically and determinedly in making needed improvements, want legislative support which will enable them to break some barriers of tradition and to pioneer in new ways to improve educational opportunities of all of Kentucky's youth by using fully the best available knowledge of Kentucky's staff of more than 36,000 teachers and administrators.

Because of the professional status of Kentucky's teachers

and because of some educational lags of urgent concern, I am proposing enabling legislation which will provide opportunity for new directions and opportunities for Kentucky to break with conventional practices. The traditional ways have resulted in some inadequacies which are crying out for new responses. We are at the crossroads of mounting costs and inadequate accomplishments at a time when both tax relief and educational improvements are being called for. I believe strongly that Kentucky can find its way at this crossroads. *I am proposing legislation for experimentation and study* which I believe will provide the freedom and the challenge for leadership through the true Kentucky pioneering spirit to meet one of the most vital needs.

FIRST—Enabling legislation which will provide more freedom and flexibility on part of classroom teachers and school administrators in selecting the learning material used in our classrooms. A reform is needed in this area that materials may be more relevant and more current and on the reading level of each child. There was a time when the textbook was the only word or only piece of learning material a child or the teacher had. Now, today, with the mass media—with educational television—with the library materials, tapes, films, records—teachers and students too often feel stymied in being bound legally by having to follow an adopted textbook.

My proposal for flexibility has emerged from teachers and administrators who participated in "The Governor's Outstanding Innovation Award" and from our study in preparation for the 1970 White House Conference on Children and Youth. I am convinced that many school systems which are rapidly trying to make needed improvements in education want the flexibility I propose.

In summary, this legislation would allow up to ten local school districts during 1970-72 to receive one-sixth of the amount of free textbook funds designated by the State Department of Education to that district. Such funds could be used in purchase of materials, other than the adopted text, which have been prepared by teachers and curriculum consultants or by professionals, or academic groups locally or on a national basis, provided that the subject and material shall be approved by

the State Board of Education. This simply allows teachers and administrators to use one-sixth of the free textbook funds for purchase of learning materials which in their judgment are most appropriate for the children.

SECOND—Legislation to allow up to twenty public schools to establish differentiated pay schedules on an experimental basis for teachers according to the professional responsibility they carry and on the basis of differentiated teaching assignment according to a variety of teaching roles. In addition to the current salary schedule based on experience and college degrees, this proposal advocates the third element—*the degree of professional responsibility of the teacher in the overall improvement of learning.* This means, in addition to actual teaching in the classroom, the excellent teacher might work with other teachers in helping them become better teachers in reading, etc., or more skilled in the whole process of teaching and learning. In this proposal, I do not anticipate that all teachers would receive the top salary in his or her rank, but that the more capable teachers, professionally, would be rewarded because they are willing to share their professional expertise with more children, more teachers, more aids, more student teachers in training, and with the community.

The criteria for administration of the program must be submitted for approval with the application to the State Board of Education to participate in this differentiated pay schedule plan. Under my proposal this plan would break with the traditional salary schedule based on college degrees and experience only. It would allow a local school district to develop a plan of differentiated staffing and a corresponding differentiated salary schedule. Under the plan, salary raises during the next two years could be weighted in favor of the teacher who does more professional work including such responsibilities as working as head of a team of teachers, or working with inexperienced teachers, or working with aides and other para-professionals, working with larger groups of children in cooperation with para-professionals, or producing more relevant learning materials, or working with parents and the community, or working beyond the regular school day or beyond the regular school term on those matters which promise improvement in education for Kentucky's children.

Some may say the concept of differentiated staffing and salary is too risky when there are few precedents on which to proceed. But, I agree with Dr. Roy A. Edelfelt, Executive Secretary, National Commission on Teacher Education and Professional Standards, "risk-taking is necessary if schools are to begin to meet the great challenges of human progress."

THIRD—On an experimental basis, enabling legislation to allow use of Foundation Program Funds for teacher aides and para-professionals. School districts in Kentucky can successfully improve the learning situation by expanding the professional expertise of an excellent teacher by providing opportunity for her or him to have aides, thereby making it possible for a larger group of children to have the benefit of the excellent teacher. With aides and other non-certificated personnel, a professional teacher may devote her time to professional responsibilities—planning for improvement of learning environments, guiding and counseling children and directing learning.

There are school systems in Kentucky which want the opportunity and freedom to employ, with Foundation Program funds, a number of these aides and para-professionals in the belief that improvement in the educational situation will follow. I propose enabling legislation which would allow ten districts designated by the State Board of Education to receive Foundation Program funds in an amount equal to forty per cent of the amount for a teacher in rank III with no experience, multiplied by the number of such para-professionals and teacher aides employed in the designated school or schools—provided that the number of such non-certificated aides and para-professionals shall not exceed one-half the number of certificated personnel in the designated school or schools.

This proposed legislation will not require any additional funds, nor any less, but provides freedom for use of the Foundation Program funds for salaries for either teachers or aides within these limits. With the same amount of money a school district may choose to expand the professional responsibility of excellent teachers by employing aides to work with good teachers. This does not anticipate reducing the cost for salaries, but provides freedom for a school district to make use of a plan of utilizing aides—a plan which educators have indicated to me that they want the freedom to use.

FOURTH—One of the strengths of our non-tax supported schools has been their ability to innovate.

At present, private schools receive no financing from the state and, so long as this is true, should be freer to make their own judgment of what a good teacher is.

We propose to allow private schools to experiment by providing for certification of their teachers with a college degree who are extremely proficient in their subject areas.

FIFTH—To broaden the experimentation provided for in the four preceding proposals, I am asking that the General Assembly join with me in calling for the creation of a State Task Force on Education Innovation by the State Board of Education for the purpose of studying innovations which are being tried as a way of bringing improvement in education and for the purpose of bringing recommendations to our attention—recommendations for breaking the cycle of traditional school organization, curriculum, and approaches which have resulted in inadequate accomplishments. I would think that such a State Task Force should study the ideas and research in such areas as how to guarantee for every child his "right to read," fuller utilization of public school resources in preparation of teachers, differentiated staffing and salaries, the open-campus concept, continuing education, offering of mini-courses, liberalization of textbook laws, use of teacher-prepared textbooks, model centers for student teachers and interns, redefinition of the school day and school attendance, substitutions for the Carnegie unit, and centers for innovation, research, and information. I would also suggest that the State Task Force make its report on recommendations by July 1, 1971.

CONCLUSION—These proposals for experimentation and study are in keeping with the theme of this administration, "Every Kentuckian Counts." These proposals aim toward quality education for each Kentuckian.

It is my desire that within the next ten years there will be a marked increase in literacy and a school system responsive to individual needs, insuring that every child gets the best possible education.

In accord with Commissioner of Education James Allen,

it is our hope that by the end of the 70's every child will be reading "to the full limit of his capability by the time he leaves school."

WELFARE REFORM
A MESSAGE

from
Louie B. Nunn
Governor of the Commonwealth of Kentucky
Transmitting

The message relating to enabling legislation for substantive reform and improvement of the system of public assistance for the Commonwealth of Kentucky.

Kentucky has added 160,000 people to its welfare rolls over the past ten years—the equivalent of putting a city the size of Henderson on welfare every year. This Commonwealth has spent a billion dollars on its poor in that ten years.

Today's federal-state system is being choked by a tangled web of complexities and contradictions. This confuses the taxpayer who finances it and frustrates the needy person it was designed to serve.

The present welfare system has overlooked some basic questions about what welfare should do.

This administration is prepared to confront those questions.

We are asking you, the Kentucky General Assembly, to address these problems with us, and to help us accomplish a major change in state welfare policies.

At the foundation of our proposals are certain beliefs:

—That the public funds placed in our trust must become not an expenditure, but rather an investment in the rehabilitation of human beings.

—That we must endeavor to place in the mainstream of society the needy among us who have the potential of becoming productive, wage-earning citizens.

—That the individual dignity and worth of our disadvan-

taged can be respected while at the same time we render our administration of the system more economical and efficient.

—That individuals and organizations outside of government must be not simply permitted, but actively encouraged, to share the responsibility for attaining these goals.

We must now finally recognize and begin to deal with the fact that there are two distinctly different types of welfare recipients. There are those who are *permanently* dependent, and there are those who are only *temporarily* dependent.

A basic failure of the present system is that eventually everyone who gets on the welfare rolls comes to be regarded as permanently dependent. The emphasis has been on *maintenance* only and not on rehabilitation. Only token recognition has been given to the principle that, with the right kind of preparation, many welfare citizens can become working citizens.

We propose to commence a meaningful effort to have the welfare Kentuckian take his place among the ranks of working Kentuckians.

Our present system contains no real incentives to work. Unfortunately, the incentive all too often is in the opposite direction. The welfare recipient who has just begun to work at low wages is penalized for his effort.

We propose to make self-support attractive by creating incentives to work among those at the lowest income level.

We would transfer some of our welfare benefits—at no additional cost to the state—to allow those families which earn the *least* money to retain *more* of the earnings they so desperately need.

No longer would the working welfare family be required to exist on less than a minimum subsistence level.

At the same time, we would remove from the relief rolls those people who have demonstrated an ability to care for themselves.

Under our proposal, all welfare recipients who are work-ready, or who could become so with adequate training and education, would be required to apply for appropriate work or training.

I have mentioned work training and rehabilitation. In this, as in other areas, there is a limit to what government can and should do. The resources of government are not boundless, and must be carefully distributed in the interest of the taxpayers who support it.

But the resources of the private sector, by comparison, are vast.

We submit that government should not attempt to do the whole job.

We submit that it is a proper function of government—even a primary function—to stimulate a greater involvement by private individuals and organizations in the problems of our time.

In every county and in every community in this state there are enlightened and interested citizens who are looking for a way to help those among us who are disadvantaged.

For those citizens, we would offer the opportunity to enlist in a new effort – Community Resources for Employment And Training Effort – CREATE for short.

CREATE would work directly with state government in finding employment for all who qualify. It would advise on training programs. It would help with child care placement. It would call upon community agencies and individuals to help shoulder the burden of preparing our needy for the world of work. It would involve the local community in rehabilitating its own citizens.

CREATE is nothing more complicated than neighbor helping neighbor.

In order to work together, CREATE and the welfare recipient must be permitted to talk together. For too many years, an artificial veil of secrecy has hidden the welfare recipient from his fellow citizens. It has created guilt in the mind of the recipient, and suspicion in the mind of the taxpayer. It has created a permanent second class of 300,000 citizens, whose membership is known only to those of us in government.

We propose to lift that veil, to the degree necessary to put help-minded citizens in touch with the disadvantaged, without

infringing upon the personal dignity or right of privacy of any person.

A continuing criticism of our welfare policy is that it contributes to the breakdown of the family unit – the social unit which has been the basic source of strength of our nation.

When the government gives money to a family *only* if the father is absent, then there is the possibility that the father will *make* himself absent so that the family can receive money. Recent studies from other states indicate that this is exactly what has been happening.

Our fiscal limitations prevent us from extending benefits to *all* poor families that choose to stay together. However, we can and should discourage the absenteeism of the father. We should require, as a condition of eligibility for his family, that he be located and required to make his financial contribution to his family, whenever and wherever possible.

In order to coordinate these efforts we are establishing a parental support unit in the Department of Economic Security to insure that those who have the legal responsibility for support assume that responsibility.

These proposals to you, the General Assembly, represent a change of emphasis–a change of direction–not a change of the amount of our budget request. Our recommendations can be accomplished with the same amount of money we would otherwise need over the coming biennium even if our welfare system went on unchanged. This is as it should be. Money has proven not to be the final answer to the welfare dilemma.

VOTING AND GOVERNMENTAL REFORMS
A MESSAGE

from

Louie B. Nunn

Governor of the Commonwealth of Kentucky

Transmitting

The message on necessary reform in the voting laws and new measures to stimulate cooperation among governments and the private sector.

The American system of government rests upon two basic premises:

---first, the free and fair participation of the citizenry through the electoral process; and

---second, the ability of government at many levels to serve the people within its constitutionally defined institutions.

Consistent with these underlying principles of representative government, on Monday I shall send to the members of the General Assembly for their consideration a 6-point program designed to accomplish three distinct and desirable goals:

(1) To foster greater citizen participation in the electoral process;

(2) To help local governments develop machinery that meets the challenges of contemporary society, and

(3) To stimulate a more creative involvement of the private sector in the vital technical endeavors of government.

Voting and Governmental Reform

The challenges and opportunities of the 70's require Kentucky to improve its governmental procedure and encourage greater participation of her citizens, young and old alike. In gearing government to the future, there must be more responsiveness to the critical needs of our urban and local communities.

Responsive and responsible government demands the participation of every citizen. However, in the election of 1960, an estimated 8,000,000 adults, or 8% of those old enough to vote, were excluded from the polls because they could not meet the stringent residency requirements imposed by various state and local governments. This number becomes crucial when one considers that both the 1960 and 1968 Presidential races were decided by margins of less than 600,000 votes each.

Most laws on voter residence requirements were enacted in a period when American society was more provincial and people did not move as far and as often as they do today. Moreover, tremendous improvements in the communications media have given citizens a much better understanding of national issues.

In light of these contemporary circumstances, unreasonable residency requirements in national elections are obsolete and detrimental to the nation's interest by causing many citizens to forfeit temporarily their vital voting rights.

Likewise, the rapidly increasing mobility of Kentuckians has caused a corresponding increase in the number of our citizens unnecessarily disenfranchised by movement from one county to another.

I am therefore recommending that the General Assembly consider an amendment to the Constitution of Kentucky that would reduce the residency requirements for certain Kentuckians and would also allow qualified new residents who have recently moved to Kentucky to vote for the president and vice-president, but for no other offices.

This Constitutional amendment would make Kentucky's voting laws realistic and return voting rights to those now barred from the voting booth by the mobility of our society.

If the General Assembly takes favorable action on this amendment, it would be presented to the voters of the Commonwealth in November, 1970.

The first part of the Amendment, *a Voting by New Residents Law, would allow anyone who moves to Kentucky and who would have otherwise been a qualified elector under the constitution of this state except that he has been a resident of Kentucky for less than six months prior to the date of a Presidential election, to vote for Presidential and Vice-Presidential electors but for no other offices, if he applies for a new resident's voting ballot with the county clerk of the county of his new residence at least 30 days prior to the election.* It would be administered the same as an absentee ballot, and the new resident will qualify under its terms only if he is ineligible to vote in another state.

The second section of the proposed Amendment would alter Section 145 of the Kentucky Constitution. Presently this Section requires the voter to live in the state one year, county 6 months, and precinct 60 days; *this amendment would change the requirement to 6 months residency in the state, 3 months in the county, and 60 days in the precinct.*

An even greater threat to our representative form of government is the danger that the will of the people may be thwarted by election irregularities.

While voting machines and permanent registration have reduced wholesale fraud at the ballot box, election fraud still exists. For example, the Honest Ballot Association figured that four million fraudulent or invalid votes were cast in the 1964 elections, about 5.5% of the total. Many races that year were decided by a narrower margin than 5 per cent.

Vote fraud is crime just the same as robbery or murder. In fact, vote fraud is among the worst crime, for it undermines the process through which we elect those who will enact and enforce our laws.

Good and fair government will be enhanced if the General Assembly tightens the controls on ineligible voting or impersonation. A statutory requirement that *a voter sign not only his name but also his present address in the polling books would help eliminate fraudulent voting* – as would imposing a stiff penalty for incorrect signing.

We must improve our governments as well as our electoral system. It is crucial that we begin now to plan for our future and especially to build the kind of local and urban communities that inspire rather than crush man's spirit.

For too long, the extent to which our towns became cities, and our cities became expanding urban areas has gone unrealized. In the 1960 census, Kentucky was considered a rural state: 55.5% of our population lived on farms. The 1970 census will firmly emphasize Kentucky's urban face, with more than 50% of its population living in urban areas.

Our cities and local communities, with their suburbs, have the chance to avoid repeating and indeed learning from the mistakes made during the rise of our major cities.

The challenge today is to enlist the support and the cooperation of the state, the county, and the local governments to work together with each other and with the private sector to develop realisic programs that will overcome our social problems and improve the quality of life for all Kentuckians.

All major studies dealing with urban and local affairs have agreed on the absolute necessity of governmental planning. Recognizing this, by Executive Order in June of 1968 I established the Kentucky Program Development Office to provide a coordinated statewide planning and implementation system which would place the development emphasis on a local and regional level. Two major functions of this office are to coordinate the state technical assistance that is available to the local and urban levels and to help channel appropriate federal and state grants available for their use. *I am, therefore, urging the General Assembly to give full statutory agency powers to the Kentucky Program Development Office, as requested in H.B. 175 and H.B. 176.*

In the first year of its operation, KPDO helped channel over $93 million in federal funds to various local communities throughout Kentucky. This year that figure was increased to over $109 million. It expects over the next two years to channel more than $300 million in federal funds in Kentucky. For a four-year investment of $6 million, Kentucky would receive a return of $500 million.

Two widely publicized examples of coordinated technical assistance were the Pikeville project and the Southeastern Kentucky Health Demonstration Project whereby the resources of local, state and national public agencies and private enterprise all worked together. KPDO also coordinates planning of "Model Cities" projects . . . an undertaking that calls for a comprehensive approach to social, economic, and physical problems in the slums and blighted areas.

KPDO will provide imaginative planning and assistance for Kentucky urban areas needing aid in devising policies and programs for orderly growth.

In addition to the helpful role KPDO can play, however, it is still essential that urban and local areas initiate their own problem-solving mechanisms through existing governmental institutions.

To facilitate the productive intergovernmental cooperation encouraged by the legislation in this message, it is important that state and local officials be able to serve on inter-govern-

mental bodies so that they may provide responsible and direct representation for the people in matters of concern. I am therefore proposing for deliberation *legislation to reduce unreasonable restrictions in the area of incompatible offices and employments.*

Originally, incompatibility laws (Kentucky Constitution, Section 165 and KRS 61.080) were enacted on the generally sound premise that public officials who serve two masters may be unreasonably impaired from serving the public interest. This premise would seem to be inapplicable and unreasonably confining in those instances where service on intergovernmental bodies is compatible with the public interest. Such officials have valuable current experience and a direct concern for the problems that are likely to call for service on intergovernmental bodies.

No government can adequately develop programs for the future without an awareness of present economic realities and the potential available resources of the public and private sectors.

With this need in mind, *I am proposing for consideration by the General Assembly the creation of a Governor's Council of Economic Advisors. This panel is patterned after its namesake in Washington, which for many years has provided creative national economic and technical analysis for the President of the United States.*

The Council will prepare and submit to the Executive and Legislative branches by November 1, 1971, a report providing long range projections of the total economy of the state to cover at least the years 1975, 1980 and 1990. These 5, 10, and 20 year forecasts would involve socio-economic activities such as personal income, labor force, employment, unemployment, profits, wages and population.

Second, the Council is to submit yearly reports to the Governor and General Assembly analyzing economic trends during the preceding years and revealing business, industrial, and agricultural prospects and potentialities.

And third, the Council is to help develop significant future growth potential for the Kentucky economy, such as additional agricultural crops and products, increased overseas markets, and new fields for economic expansion.

The Council shall be composed of eight voting members selected from the academic community, from the business, industrial, and labor communities, and from the general public. The Dean of the College of Business and Commerce of the University of Kentucky, the Commissioner of Revenue, the Commissioner of Finance, and the Director of the Budget shall be ex-officio members.

The Council of Economic Advisors can best be summarized as another attempt to activate the talents and resources of the private sector in harmony with state government for the public betterment. Once again we are also seeking the creative involvement of the academic community in a joint effort with state officials to move Kentucky ahead.

Introduction of Bills and Resolutions (Continued)

HB 740, by Representative Kenton: AN ACT relating to planning and zoning.

Representative Lindsay moved that the House adjourn until 1:00 p.m., Thursday, March 12, 1970. Agreed.

THURSDAY, MARCH 12, 1970
FIFTY-THIRD LEGISLATIVE DAY

The House was called to order by Speaker Carroll.

Prayer by Dr. Robert J. Laughlin, First Presbyterian Church, Frankfort.

The roll was called. All present except Representatives Collins, T. Reynolds and Wells.

Representative Isler moved that absent members be granted leave of absence. Agreed.

Representative McNamara moved that the reading of the Journal of March 11, 1970, be dispensed with and the same approved. Agreed.

Introduction of Bills and Resolutions

HB 741, by Representative G. White: AN ACT relating to defrauding of hotel keepers and others furnishing accommodations and services.

HB 742, by Representative Hughes: AN ACT proposing an amendment to the Constitution of the Commonwealth of Kentucky by repealing and striking therefrom Section 226 which forbids lotteries and gift enterprises.

HR 104, by Representative Van Horn: A RESOLUTION directing the City of Lexington and Fayette County to comply with statutes relating to air pollution control.

HCR 105, by Representative L. T. Hardin: A CONCURRENT RESOLUTION requesting and petitioning the United States Office of Economic Opportunity to establish a horticultural pilot project in the Kentucky counties of Johnson and Martin.

Reference of Bills and Resolutions

The Committee on Committees has referred the following Bills and Resolutions:

Counties and Special Districts: **HB 739.**

Cities: **HB 740.**

Rules: **HR 102, HR 103.**

Judiciary: **SB 184, SB 284.**

Education: **SB 357.**

Business Organizations and Professions: **SB 388.**

State Government: **SR 63.**

Report of Committees

The Committee on State Government reported **HR 26** with Committee Substitute attached thereto, **HB 175** with Committee Substitute attached thereto, **HB 176** with Committee Substitute attached thereto, **HB 423, HB 449, HB 679, HB 680, HB 715, HB 717, HB 737,** and **SB 241** with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HCR 26, A CONCURRENT RESOLUTION requesting and petitioning the Kentucky General Assembly to refrain from taking specific action to exempt Kentucky from the Uniform Time Act of 1966 until the Congress acts on H. R. 15276 which was introduced by Representative Tim Lee Carter of Kentucky on December 16, 1969.

WHEREAS, two bills have been introduced in the 1970 General Assembly to exempt Kentucky from the Federal Uniform Time Act of 1966; and

WHEREAS, two Senate concurrent resolutions have been proposed in the 1970 General Assembly, one requesting the U. S. Secretary of Transportation to investigate the possibility of placing Kentucky in a single time zone, and the other requesting the U. S. Secretary of Transportation to exempt Kentucky from the Federal Uniform Time Act of 1966; and

WHEREAS, on December 16, 1969, Representative Tim Lee Carter introduced H. R. 15276 in the House of Representatives

of the Congress to amend the Uniform Time Act of 1966 to provide that daylight saving time begin on Memorial Day and end on Labor Day of each year; and

WHEREAS, the enactment of H. R. 15276 by the Congress would meet much of the objection to the Uniform Time Act of 1966; and

WHEREAS, the Congress has not as yet had sufficient time to act on H. R. 15276,

NOW, THEREFORE,

Be it resolved by the House of Representatives of the Commonwealth of Kentucky, the Senate concurring therein:

That the Kentucky General Assembly take no specific action to exempt Kentucky from the Uniform Time Act of 1966 until the Congress acts on H. R. 15276.

Committee Substitute for HCR 26, A CONCURRENT RESOLUTION requesting and petitioning the Kentucky General Assembly to refrain from taking specific action to exempt Kentucky from the Uniform Time Act of 1966 until the Congress acts on HR 15276 which was introduced by Representative Tim Lee Carter of Kentucky on December 16, 1969.

WHEREAS, on December 16, 1969, Representative Tim Lee Carter introduced HR 15276 in the House of Representatives of the Congress to amend the Uniform Time Act of 1966 to provide that daylight saving time begin on Memorial Day and end on Labor Day of each year; and

WHEREAS, the enactment of HR 15276 by the Congress would meet much of the objection to the Uniform Time Act of 1966, and

WHEREAS, the enactment of HR 15276 would be of special and particular benefit to the citizenry of this Commonwealth;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the Commonwealth of Kentucky, the Senate concurring therein:

1. That the Kentucky General Assembly endorses the pro-

visions of HR 15276, and urges the Congress of the United States to take favorable action on that bill.

2. The Clerk of the House is directed to send attested copies of this Resolution to the presiding officer of the United States Senate and the United States House of Representatives, and to Representative Tim Lee Carter.

HB 175, AN ACT relating to area development districts in the Commonwealth of Kentucky providing for their creation, powers, and duties.

WHEREAS, it is recognized that the Commonwealth of Kentucky is made up of several major geographical areas, each of which differs significantly from the others in basic characteristics of terrain, economy and other physical and cultural features; and

WHEREAS, it is recognized that the differing opportunities and problems encountered in each of the several areas are not the result of any single cause but involve the comprehensive range of human interests and physical conditions characteristic of each area; and

WHEREAS, an increasing number of federal and state programs have been adopted which have special effect or benefit for various areas and whose effectiveness is depedent upon and determined by data and criteria evaluated within an area-context.

WHEREAS, the Commonwealth of Kentucky recognizes the need for establishing uniformity in multi-county area boundaries for the purposes of planning, encouraging, and accelerating development of the Commonwealth.

NOW, THEREFORE,

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. This Act may be cited as the Area Development District Act, and shall be Chapter 147B of the Kentucky Revised Statutes.

Section 2. A new section of Chapter 147B of the Kentucky Revised Statutes is created to read as follows: It is the purpose

of this Act to provide for the statewide delineation of Area Development Districts and for the creation of Area Development District Boards whose purpose shall be to formulate, promote, and coordinate comprehensive area planning and development programs for their Area Development Districts.

Section 3. A new section of Chapter 147B of the Kentucky Revised Statutes is created to read as follows: There is hereby established the boundaries of the Commonwealth's Area Development Districts:

(1) PURCHASE AREA DEVELOPMENT DISTRICT which includes the counties of Ballard, Carlisle, Hickman, Fulton, McCracken, Graves, Marshall and Calloway;

(2) PENNYRILE AREA DEVELOPMENT DISTRICT which includes the counties of Livingston, Crittenden, Lyon, Caldwell, Hopkins, Muhlenberg, Trigg, Christian and Todd;

(3) GREEN RIVER AREA DEVELOPMENT DISTRICT which includes the counties of Union, Henderson, Webster, McLean, Daviess, Ohio and Hancock;

(4) BARREN RIVER AREA DEVELOPMENT DISTRICT which includes the counties of Logan, Simpson, Butler, Warren, Edmonson, Hart, Barren, Allen, Metcalfe and Monroe;

(5) LINCOLN TRAIL AREA DEVELOPMENT DISTRICT which includes the counties of Breckinridge, Meade, Grayson, Hardin, LaRue, Nelson, Washington and Marion;

(6) JEFFERSON AREA DEVELOPMENT DISTRICT which includes the counties of Bullitt, Henry, Jefferson, Oldham, Shelby, Spencer, and Trimble;

(7) NORTHERN KENTUCKY AREA DEVELOPMENT DISTRICT which includes the counties of Boone, Kenton, Campbell, Carroll, Gallatin, Owen, Grant and Pendleton;

(8) BUFFALO TRACE AREA DEVELOPMENT DISTRICT which includes the counties of Bracken, Mason, Robertson, Fleming and Lewis;

(9) GATEWAY AREA DEVELOPMENT DISTRICT which includes the counties of Rowan, Bath, Montgomery, Menifee, and Morgan;

(10) FIVCO AREA DEVELOPMENT DISTRICT which includes the counties of Greenup, Boyd, Carter, Elliott and Lawrence;

(11) BIG SANDY AREA DEVELOPMENT DISTRICT which includes the counties of Johnson, Magoffin, Martin, Floyd and Pike;

(12) KENTUCKY RIVER AREA DEVELOPMENT DISTRICT which includes the counties of Wolfe, Owsley, Lee, Breathitt, Leslie, Perry, Knott and Letcher;

(13) CUMBERLAND VALLEY AREA DEVELOPMENT DISTRICT which includes the counties of Jackson, Rockcastle, Laurel, Clay, Knox, Whitley, Bell and Harlan;

(14) LAKE CUMBERLAND AREA DEVELOPMENT DISTRICT which includes the counties of Taylor, Adair, Green, Casey, Russell, Pulaski, Clinton, Cumberland, Wayne and McCreary;

(15) BLUEGRASS AREA DEVELOPMENT DISTRICT which includes the counties of Anderson, Franklin, Woodford, Mercer, Boyle, Lincoln, Garrard, Jessamine, Fayette, Scott, Harrison, Bourbon, Nicholas, Clark, Madison, Powell, and Estill.

Section 4. A new section of Chapter 147B of the Kentucky Revised Statutes is created to read as follows: This Act empowers the Governor to designate qualified Area Development District Boards as the official area organizations which the Commonwealth will recognize for the purpose of insuring that regional differences in resources and goals are reflected in the plans and programs carried out under this Act.

(1) The Governor may certify an Area Development District Board as being the official organization representing the area for comprehensive planning and developmental purposes upon recommendation by the "Administrator" of the Kentucky Program Development Office.

(2) The "Administrator" of this office shall prepare such recommendation after he has received and reviewed a petition containing:

(a) The name of the organization;

(b) A list of the counties to be represented in the organization;

(c) Satisfactory evidence that certification is desired by a majority of the county judges and mayors in the area;

(d) Satisfactory evidence that the organization has adopted by-laws with proper safeguards set forth to insure fiscal and organizational responsibility;

(e) Satisfactory evidence that the organization is broadly representative of all groups concerned with the natural, economic, and human resources of the area, and that membership is open to all interested persons;

(f) Satisfactory evidence that the executive body of the organization is a Board of Directors composed of

1. The county judge from each county in the area;
2. One mayor from each county in the organization to be selected by the mayors of each individual county; provided, however, that if a county has no incorporated city, the county judge shall appoint a person to serve on the Board of Directors in lieu of a mayor;
3. A number of citizens consisting of one fewer than the combined number of judges and mayors on the Board of Directors, with the citizens to be selected to the Board of Directors through a system which provides substantially equal representation for each county and provides opportunity for all groups represented in the organization to be selected to serve on the Board of Directors;

(g) Satisfactory evidence that the purposes of the organization are to:

1. Initiate and discuss ideas, projects, and programs and advise local, state, federal, and private agencies concerning them;
2. Coordinate public and private programs for economic and social development of the area;
3. Plan comprehensive area development programs for the district which includes, but not limited to:

economic development, physical development, housing, transportation, human resource development; and

4. Promote action to carry out plans and programs, through appropriate public and private organizations, using appropriate public and private funds.

Section 5. A new section of Chapter 147B of the Kentucky Revised Statutes is created to read as follows: The organization, structure and staff of the several Area Development District Boards shall be:

(1) In order to effectively carry out their prescribed duties and to properly coordinate one with the other and with state government and its planning and development activities, each Area Development District Board shall form but not be limited to the following six functional committees that coincide with the functional commissions being established within state government. These committees should be: Health, Education, Transportation, Environmental Resources, Human Resources and Community Services. The chairman of each committee shall be a member of the Board of Directors. Other committee membership may include members of Board of Directors, private citizens knowledgeable in the relevant area, public agency employes and other interested citizens of the District.

(2) The Board of Directors may appoint an executive director and fix his salary. He may be chosen from among the citizens of the nation at large and shall be selected on the basis of his training and experience in the field of planning, development, and governmental affairs. Other staff members may be employed as needed.

(3) To avoid duplication of effort and staff for various organizations working within a district and assisted by the federal or state government, the staffs shall be related to and coordinated with the Area Development District and their six functional committees in a coordinative manner which shall be prescribed by administrative regulation of the Administrator of Kentucky Program Development Office.

Section 6. A new section of Chapter 147B of the Kentucky Revised Statutes is created to read as follows: An Area Develop-

ment District shall be deemed a public body corporate and politic, the purposes of which shall be to perform the planning and other functions provided by this Act, and it shall have the power to perform such functions and all other powers incidental thereto.

Without in any manner limiting or restricting the general powers conferred by this Act, the Board shall have power to:

(1) Adopt and have a common seal and alter the same at pleasure;

(2) Sue and be sued;

(3) Adopt bylaws and make rules and regulations for the conduct of its business;

(4) Make and enter into all contracts or agreements necessary or incidental to the performance of its duties;

(5) If requested, provide basic administrative, research, and planning services for any planning and development body located within the District;

(6) Borrow money and apply for and accept advances, loans, grants, contributions and any other form of assistance from the federal government, the Commonwealth, or other public body, or from any sources, public or private, for the purposes of this Act, and give such security as may be required and enter into and carry out contracts or agreements in connection therewith; and include in any contract for financial assistance with the Federal government such conditions imposed pursuant to federal laws as it may deem reasonable and appropriate and which are not inconsistent with the purposes of this Act;

(7) Expend such funds as may be considered by it to be advisable or necessary in the performance of its duties;

(8) Acquire, hold for such a time as may be advisable, and dispose of real and personal property, provided however that the organization shall have no power of eminent domain;

(9) Charge fees, rents, and otherwise charge for services provided by the Board, provided however, that the organization as a separate legal entity, shall have no power to levy taxes;

(10) Enter into interlocal agreements or interstate compacts to the extent authorized by laws of the Commonwealth.

An Area Development District organization shall be deemed a "public agency" as defined by the Inter-local Cooperation Act in KRS Chapter 65.

(11) Promote, organize, and advise special districts or other authorities in accordance with laws of the Commonwealth.

Section 7. A new section of Chapter 147B of the Kentucky Revised Statutes is created to read as follows: The Board shall conduct the necessary research and studies and coordinate and cooperate with all appropriate groups and agencies in order to develop, adopt and revise, when necessary, a District Development Plan or series of plans covering, but not limited to, the functional areas of health, education, transportation, environmental resources, human resources, and community services.

(1) The District Development Plan shall consist of a compilation of policy statements, goals, standards, programs, and maps prescribing guides for the orderly physical, human and economic development of the District. The plan shall identify the necessity for public action and intergovernmental cooperation within the District and shall be coordinated to all extent possible with the efforts of the private sector within the District.

The creation of an Area Development District does not affect the rights of counties or municipalities to conduct planning authorized by KRS Chapter 100.

(2) In accordance with state or federal guidelines review all applications emanating from any source in the District to agencies of the state or federal government for grants or other financial assistance within the District.

(3) On or before June 30 of each year, each Board shall prepare, in such content and manner as the Administrator of the Kentucky Program Development Office shall direct, a report for the District's political subdivisions, the public within the District, the legislature, and the Governor. The report shall include, but not be limited to, an audit report, proposed budget, accomplishments during the previous year, a list of applications processed and resultant actions, and recommendations of the Board regarding federal and state programs, cooperation, funding, and legislative needs.

Section 8. A new section of Chapter 147B of the Kentucky Revised Statutes is created to read as follows: Upon the organization of an Area Development District, it shall be entitled to receive financial support of the Commonwealth to assist it in carrying out its duties. The Administrator of the Kentucky Program Development Office shall, subject to the availability of funds, allocate funds to each District for the purpose of carrying out the District's responsibilities and for matching federal and local funds.

Section 9. A new section of Chapter 147B of the Kentucky Revised Statutes is created to read as follows: As a public body, an Area Development District Board shall not be required to pay any taxes or assessments upon any project or upon any property acquired or used by it or upon the income or proceeds therefrom in accordance with constitutional and statutory laws of the Commonwealth.

Section 10. A new section of Chapter 147B of the Kentucky Revised Statutes is created to read as follows: Nothing in this Act shall be construed to limit any functions or powers of any political subdivision which shall not join an Area Development District; or having once so joined, shall withdraw from such District.

Section 11. A new section of Chapter 147B of the Kentucky Revised Statutes is created to read as follows: The Kentucky Program Development Office shall help strengthen area development organizations by providing:

(1) Technical assistance by state program specialists;

(2) A central information service concerning state and federal programs.

(3) Coordination between other state agencies to achieve harmony between their programs and plans and the plans of the area development districts;

(4) Assistance in channeling appropriate federal grants and state grants to area development districts;

(5) Assistance in forming a technical group composed of representatives of local, state, and federal agencies and institu-

tions of higher learning to provide technical assistance and advice as needed to the Area Development District Board and their technical area planning and development components.

Section 12. A new section of Chapter 147B of the Kentucky Revised Statutes is created to read as follows: On the effective date of this Act, all coordinated planning and development by the Commonwealth of Kentucky, or pursuant to federal law shall conform to the Districts established herein except where, after review and approval by the Governor, non-conformance is clearly justified. The Governor, through the Kentucky Program Development Office, shall develop working agreements with state and federal departments and agencies to insure conformance with these districts.

Section 13. A new section of Chapter 147B of the Kentucky Revised Statutes is created to read as follows: Any Area Development District organization recognized by the Governor prior to this Act as the official District organization shall continue as such. Any such organization shall alter or amend its structure to conform to the organizational requirements and effect the intent of this Act within one year after the effective date hereof.

The Governor may withdraw his certification of any District organization upon sufficient evidence that it is not complying with the provisions of this Act.

Section 14. A new section of Chapter 147B of the Kentucky Revised Statutes is created to read as follows: Nothing in this Act shall be deemed to limit or authorize the limitation in any manner of the functions, powers, and duties of any department or agency of the Commonwealth or of any political subdivision without the consent of the Commonwealth, department, agency, or political subdivision.

Section 15. A new section of Chapter 147B of the Kentucky Revised Statutes is created to read as follows: If any provision of this Act or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of the Act, and to this end the provisions of this Act are severable.

Section 16. This Act shall become effective upon its passage and approval by the Governor.

Committee Substitute, HB 175, AN ACT relating to area development districts in the Commonwealth of Kentucky providing for their creation, powers, and duties.

WHEREAS, it is recognized that the Commonwealth of Kentucky is made up of several major geographical areas, each of which differs significantly from the others in basic characteristics of terrain, economy and other physical and cultural features; and

WHEREAS, it is recognized that the differing opportunities and problems encountered in each of the several areas are not the result of any single cause but involve the comprehensive range of human interests and physical conditions characteristic of each area; and

WHEREAS, an increasing number of federal and state programs have been adopted which have special effect or benefit for various areas and whose effectiveness is dependent upon and determined by data and criteria evaluated within an area-context.

WHEREAS, the Commonwealth of Kentucky recognizes the need for establishing uniformity in multi-county area boundaries for the purposes of planning, encouraging, and accelerating development of the Commonwealth.

NOW, THEREFORE,

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. This Act may be cited as the Area Development District Act, and shall be Chapter 147B of the Kentucky Revised Statutes.

Section 2. A new section of Chapter 147B of the Kentucky Revised Statutes is created to read as follows:

It is the purpose of this Act to provide for the statewide delineation of Area Development Districts and for the creation of Area Development District Boards whose purpose shall be to for-

mulate, promote, and coordinate comprehensive area planning and development programs for their Area Development Districts.

Section 3. A new section of Chapter 147B of the Kentucky Revised Statutes is created to read as follows:

There is hereby established the boundaries of the Commonwealth's Area Development Districts:

(1) PURCHASE AREA DEVELOPMENT DISTRICT which includes the counties of Ballard, Carlisle, Hickman, Fulton, McCracken, Graves, Marshall and Calloway;

(2) PENNYRILE AREA DEVELOPMENT DISTRICT which includes the counties of Livingston, Crittenden, Lyon, Caldwell, Hopkins, Muhlenberg, Trigg, Christian and Todd;

(3) GREEN RIVER AREA DEVELOPMENT DISTRICT which includes the counties of Union, Henderson, Webster, McLean, Daviess, Ohio and Hancock;

(4) BARREN RIVER AREA DEVELOPMENT DISTRICT which includes the counties of Logan, Simpson, Butler, Warren, Edmonson, Hart, Barren, Allen, Metcalfe and Monroe;

(5) LINCOLN TRAIL AREA DEVELOPMENT DISTRICT which includes the counties of Breckinridge, Meade, Grayson, Hardin, LaRue, Nelson, Washington and Marion;

(6) JEFFERSON AREA DEVELOPMENT DISTRICT which includes the counties of Bullitt, Henry, Jefferson, Oldham, Shelby, Spencer, and Trimble;

(7) NORTHERN KENTUCKY AREA DEVELOPMENT DISTRICT which includes the counties of Boone, Kenton, Campbell, Carroll, Gallatin, Owen, Grant and Pendleton;

(8) BUFFALO TRACE AREA DEVELOPMENT DISTRICT which includes the counties of Bracken, Mason, Robertson, Fleming and Lewis;

(9) GATEWAY AREA DEVELOPMENT DISTRICT which includes the counties of Rowan, Bath, Montgomery, Menifee, and Morgan;

(10) FIVCO AREA DEVELOPMENT DISTRICT which includes the counties of Greenup, Boyd, Carter, Elliott and Lawrence;

(11) BIG SANDY AREA DEVELOPMENT DISTRICT which includes the counties of Johnson, Magoffin, Martin, Floyd and Pike;

(12) KENTUCKY RIVER AREA DEVELOPMENT DISTRICT which includes the counties of Wolfe, Owsley, Lee, Breathitt, Leslie, Perry, Knott and Letcher;

(13) CUMBERLAND VALLEY AREA DEVELOPMENT DISTRICT which includes the counties of Jackson, Rockcastle, Laurel, Clay, Knox, Whitley, Bell and Harlan;

(14) LAKE CUMBERLAND AREA DEVELOPMENT DISTRICT which includes the counties of Taylor, Adair, Green, Casey, Russell, Pulaski, Clinton, Cumberland, Wayne and McCreary;

(15) BLUEGRASS AREA DEVELOPMENT DISTRICT which includes the counties of Anderson, Franklin, Woodford, Mercer, Boyle, Lincoln, Garrard, Jessamine, Fayette, Scott, Harrison, Bourbon, Nicholas, Clark, Madison, Powell and Estill.

Section 4. A new section of Chapter 147B of the Kentucky Revised Statutes is created to read as follows:

The boundaries established for the Commonwealth's Area Development District by Section 3 of this Act shall be subject to amendment as provided herein.

(1) The Administrator shall include in the regulations promulgated to implement the provisions of this Act, criteria for the determination and establishment of area boundaries and shall provide procedures for amendment of such boundaries when petitioned to do so by a county.

(2) A county containing a city of the first class may petition for redesignation as a single-county Metropolitan Area Development District for the purposes of this Act and may be so established under the provisions of this Act. In the event such a Metropolitan Area Development District is so established, the remaining counties in the original District shall determine whether, and, the manner in which they desire to further subdistrict in accordance with the provision for amendment of area boundaries as provided in subsection (1) of this section.

(3) Such Metropolitan Area Development Districts, established under the provision of subsection (2), shall be entitled to one non-voting membership on its Board of Directors from each contiguous District; and each district contiguous to a Metropolitan Area Development District shall be entitled to one non-voting membership on the Board of Directors of the Metropolitan Area Development District. The non-voting memberships provided in this subsection shall be in addition to the memberships provided for in Section 5, subsection (3)(f) 3. of this Act.

Section 5. A new section of Chapter 147B of the Kentucky Revised Statutes is created to read as follows:

This Act empowers the Governor to designate qualified Area Development District Boards as the official area organizations which the Commonwealth will recognize for the purpose of insuring that regional differences in resources and goals are reflected in the plans and programs carried out under this Act.

(1) The Governor may certify an Area Development District Board as being the official organization representing the area for comprehensive planning and developmental purposes upon recommendation by the "Administrator" of the Kentucky Program Development Office.

(2) The Administrator shall prepare and promulgate rules and regulations as necessary to carry out the provisions of this Act subject to the following requirements:

(a) Such rules and regulations, and any other regulations provided for in this Act, shall be approved by the Special Committee on Area Development established for this purpose under the provisions of Section 13 of this Act.

(b) Such regulations shall outline procedures for the certification and/or decertification of Area Development Districts and their Boards, and for other operational procedures as may be necessary to carry out the purposes of this Act.

(c) All rules and regulations established under the provisions of this section and any other section of this Act, shall be filed with the Legislative Research Commission in accordance with the provisions of Chapter 13 of the Kentucky Revised Statutes.

(3) The "Administrator" of this office shall prepare such recommendation after he has received and reviewed a petition containing;

(a) The name of the organization;

(b) A list of the counties to be represented in the organization;

(c) Satisfactory evidence that certification is desired by a majority of the county judges and mayors in the area;

(d) Satisfactory evidence that the organization has adopted by-laws with proper safeguards set forth to insure fiscal and organizational responsibility;

(e) Satisfactory evidence that the organization is broadly representative of all groups concerned with the natural, economic, and human resources of the area, and that membership is open to all interested persons;

(f) Satisfactory evidence that the executive body of the organization is a Board of Directors composed of

1. The county judge from each county in the area;

2. One mayor from each county in the organization to be selected by the mayors of each individual county; provided, however, that if a county has no incorporated city, the county judge shall appoint a person to serve on the Board of Directors in lieu of a mayor;

3. A number of citizens consisting of one fewer than the combined number of judges and mayors on the Board of Directors, with the citizens to be selected to the Board of Directors through a system which provides substantially equal representation for each county and provides opportunity for all groups represented in the organization to be selected to serve on the Board of Directors;

(g) Satisfactory evidence that the purposes of the organization are to:

1. Initiate and discuss ideas, projects, and programs and advise local, state, federal, and private agencies concerning them;

2. Coordinate public and private programs for economic and social development of the area;

3. Plan comprehensive area development programs for the district which includes, but not limited to: economic development, physical development, housing, transportation, human resource development; and

4. Promote action to carry out plans and programs, through appropriate public and private organizations, using appropriate public and private funds.

Section 6. A new section of Chapter 147B of the Kentucky Revised Statutes is created to read as follows:

The organization, structure and staff of the several Area Development District Boards shall be:

(1) The Board of Directors may appoint an executive director and fix his salary. He may be chosen from among the citizens of the nation at large and shall be selected on the basis of his training and experience in the field of planning, development, and governmental affairs. Other staff members may be employed as needed.

(2) To avoid duplication of effort and staff for various organizations working within a district and assisted by the federal or state government, the staffs shall be related to and coordinated with the Area Development District in a coordinative manner which shall be prescribed by administrative regulation of the Administrator of Kentucky Program Development Office.

Section 7. A new section of Chapter 147B of the Kentucky Revised Statutes is created to read as follows:

An Area Development District shall be deemed a public body corporate and politic, the purposes of which shall be to perform the planning and other functions provided by this Act, and it shall have the power to perform such functions and all other powers incidental thereto.

Without in any manner limiting or restricting the general powers conferred by this Act, the Board shall have power to:

(1) Adopt and have a common seal and alter the same at pleasure;

(2) Sue and be sued;

(3) Adopt bylaws and make rules and regulations for the conduct of its business;

(4) Make and enter into all contracts or agreements necessary or incidental to the performance of its duties;

(5) If requested, provide basic administrative, research, and planning services for any planning and development body located within the District;

(6) Borrow money and apply for and accept advances, loans, grants, contributions and any other form of assistance from the federal government, the Commonwealth, or other public body, or from any sources, public or private, for the purposes of this Act, and give such security as may be required and enter into and carry out contracts or agreements in connection therewith; and include in any contract for financial assistance with the Federal government such conditions imposed pursuant to federal laws as it may deem reasonable and appropriate and which are not inconsistent with the purposes of this Act;

(7) Expend such funds as may be considered by it to be advisable or necessary in the performance of its duties;

(8) Acquire, hold for such a time as may be advisable, and dispose of real and personal property, provided however that the organization shall have no power of eminent domain;

(9) Charge fees, rents, and otherwise charge for services provided by the Board, provided however, that the organization as a separate legal entity, shall have no power to levy taxes;

(10) Enter into interlocal agreements or interstate compacts to the extent authorized by laws of the Commonwealth. An Area Development District organization shall be deemed a "public agency" as defined by the Inter-Local Cooperation Act in KRS Chapter 65.

(11) Promote, organize, and advise special districts or other authorities in accordance with laws of the Commonwealth.

Section 8. A new section of Chapter 147B of the Kentucky Revised Statutes is created to read as follows:

The Board shall conduct the necessary research and studies and coordinate and cooperate with all appropriate groups and

agencies in order to develop, adopt and revise, when necessary, a District Development Plan or series of plans.

(1) The District Development Plan shall consist of a compilation of policy statements, goals, standards, programs, and maps prescribing guides for the orderly physical, human and economic development of the District. The plan shall identify the necessity for public action and intergovernmental cooperation within the District and shall be coordinated to all extent possible with the efforts of the private sector within the District.

The creation of an Area Development District does not affect the rights of counties or municipalities to conduct planning authorized by KRS Chapter 100.

(2) Review applications emanating from any source in the District to agencies of the state or federal government for grants or other financial assistance within the District, where such review is required by state or federal law.

(3) On or before June 30 of each year, each Board shall prepare, in such content and manner as the Administrator of the Kentucky Program Development Office shall direct, a report for the District's political subdivisions, the public within the District, the legislature, and the Governor. The report shall include, but not be limited to, an audit report, proposed budget, accomplishments during the previous year, a list of applications processed and resultant actions, and recommendations of the Board regarding federal and state programs, cooperation, funding, and legislative needs.

Section 9. A new section of Chapter 147B of the Kentucky Revised Statutes is created to read as follows:

Upon the organization of an Area Development District, it shall be entitled to receive financial support of the Commonwealth to assist it in carrying out its duties. The Administrator of the Kentucky Program Development Office shall, subject to the availability of funds, allocate funds to each District for the purpose of carrying out the District's responsibilities and for matching federal and local funds.

Section 10. A new section of Chapter 147B of the Kentucky Revised Statutes is created to read as follows:

As a public body, an Area Development District Board shall not be required to pay any taxes or assessments upon any project or upon any property acquired or used by it or upon the income or proceeds therefrom in accordance with constitutional and statutory laws of the Commonwealth.

Section 11. A new section of Chapter 147B of the Kentucky Revised Statutes is created to read as follows:

Nothing in this Act shall be construed to limit any functions or powers of any political subdivision which shall join or elect not to join an Area Development District; or having once so joined, shall withdraw from such District.

Section 12. A new section of Chapter 147B of the Kentucky Revised Statutes is created to read as follows:

The Kentucky Program Development Office shall help strengthen area development organizations by providing;

(1) Technical assistance by state program specialists;

(2) A central information service concerning state and federal programs;

(3) Coordination between other state agencies to achieve harmony between their programs and plans and the plans of the area development districts;

(4) Assistance in channeling appropriate federal grants and state grants to area development districts;

(5) Assistance in forming a technical group composed of representatives of local, state, and federal agencies and institutions of higher learning to provide technical assistance and advice as needed to the Area Development District Board and their technical area planning and development components.

Section 13. A new section of Chapter 147B of the Kentucky Revised Statutes is created to read as follows:

(1) There is hereby created a Special Committee on Area Development which shall be composed of the Governor, Lieutenant Governor and the Attorney General.

(2) The Special Committee on Area Development shall review and approve all rules and regulations prepared for the purpose of carrying out the provisions of this Act.

(3) It shall be the responsibility of the Administrator to submit all rules and regulations required for the purposes of this Act and prepared in accordance with Section 5 (2) of this Act, to the Special Committee on Area Development for approval as provided herein. Such rules and regulations shall be approved by the Committee prior to their effective date and prior to their dissemination.

Section 14. A new section of Chapter 147B of the Kentucky Revised Statutes is created to read as follows:

On the effective date of this Act, all coordinated planning and development by the Commonwealth of Kentucky, or pursuant to federal law shall utilize the Districts established herein except where, after review and approval by the Governor, in accordance with regulations promulgated by the Administrator, non-conformance is clearly justified. The Governor, through the Kentucky Program Development Office, shall develop working agreements with state and federal departments and agencies to insure conformance with these districts.

Section 15. A new section of Chapter 147B of the Kentucky Revised Statutes is created to read as follows:

Nothing in this Act shall be deemed to limit or authorize the limitation in any manner of the functions, powers, and duties of any department or agency of the Commonwealth or of any political subdivision without the consent of the Commonwealth, department, agency, or political subdivision.

Section 16. A new section of Chapter 147B of the Kentucky Revised Statutes is created to read as follows:

If any provision of this Act or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of the Act, and to this end the provisions of this Act are severable.

Section 17. A new section of Chapter 147B of the Kentucky Revised Statutes is created to read as follows:

Nothwithstanding any other provision of this Act to the contrary, the Area Development Districts and the Area Development District Boards created by this Act shall have no power or authority to:

(1) Engage in programs covered by Federal Acts relating to receipt and disbursement of federal and state funds for programs administered through the Office of Economic Opportunity or its successors.

(2) Engage in programs relating to primary, secondary, vocational education, vocational rehabilitation, nutritional programs, pre-school programs, and higher education programs whether financed wholly or in-part by appropriation of state monies, federal aid, or by state and federal funds.

HB 176, AN ACT relating to the coordination of programs concerned with the development of the state, inter-governmental cooperation, state planning, and providing for the establishment of the Kentucky Program Development Office.

WHEREAS, it is recognized that the Commonwealth of Kentucky is made up of several major geographic areas, each of which differs significantly from the others in basic characteristics of terrain, economy and other physical and cultural features; and

WHEREAS, it is recognized that the differing problems encountered in each of the several areas are not the result of any single cause but involve the comprehensive range of human interests and physical conditions characteristic of each area; and

WHEREAS, there is a need to coordinate and focus the programs of the various agencies of state government to assure their best cooperation with the many other programs of federal agencies, private groups and institutions, and to assure their best use to meet the specific individual-area and total-area problems and to promote the economic growth of each of the differing areas of the Commonwealth; and

WHEREAS, an increasing number of federal and state programs have been adopted which have special effect or benefit for various areas and whose effectiveness is dependent upon and

determined by data and criteria evaluated within an area-context; and

WHEREAS, there is a need by state agencies for long range program planning and these program plans need to be coordinated to improve efficiency in the implementation of official state policy;

NOW, THEREFORE,

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. This Act may be cited as the Kentucky Program Development Act, and shall be Chapter 147A of the Kentucky Revised Statutes.

Section 2. A new section of Chapter 147A of the Kentucky Revised Statutes is created to read as follows: It is the purpose of this Act to provide the state government of the Commonwealth of Kentucky with the means for coordinating with local, regional, state and federal agencies in the planning and development of Kentucky.

Section 3. A new section of Chapter 147A of the Kentucky Revised Statutes is created to read as follows: As used in this Act unless the context otherwise requires:

(1) "Comprehensive Planning" means planning which consists of the continuing process of assessing needs, resources, and development opportunities; formulating goals, objectives, policies, and standards to guide long-range physical, economic, and human resources development; preparing plans which identify and evaluate alternative courses of action and the relationships among the activities to be carried out under such plans; programming of expenditures of major activities, including capital improvements, in the order in which they are to be commenced, together with plans for financing such activities; and preparation of regulatory and administrative measures in support of the foregoing.

(2) "Office" means the Kentucky Program Development Office.

(3) "Administrator" means the Administrator of the Kentucky Program Development Office.

(4) "Comprehensive State Development Plan" means a document that outlines the activities and findings of the Comprehensive Planning process.

(5) "State Development Program" means a document, prepared annually that specifies the programming of expenditures aspect of the comprehensive planning process.

Section 4. A new section of Chapter 147A of the Kentucky Revised Statutes is created to read as follows: In addition to subsequent duties under this Act, the Governor shall provide (within the framework of this Act, the Constitution and other laws of Kentucky) for comprehensive and coordinated planning of state government programs and operations, and to guide the development of Kentucky's physical, economic, and human resources.

Section 5. A new section of Chapter 147A of the Kentucky Revised Statutes is created to read as follows:

(1) Due to the complexity and interaction of development programs and the inability of single agencies to cope effectively with this complexity, it is necessary to create organized bodies within state government to effectively integrate and coordinate areas of mutual interests. There is hereby created the following five functional planning and coordinating commissions: Health, Education, Transportation, Environmental Resources, Human Resources.

(2) It shall be the duty of these commissions to:

(a) Develop programs, procedures and regulations covering their respective areas of concern.

(b) Be responsible for coordinating the planning and programming activities of their respective functional area in order to improve quality of service, promote comprehensive planning and provide uniformity for program plans at the state and district level utilizing the input of the Area Development Districts.

(c) Formulate and submit to the Governor, who shall submit to the Legislature, a comprehensive statewide plan for the balanced development and coordination of their functional area. The plan shall be kept current by the process of continued revision.

(d) The Planning and Coordinating Commissions shall prepare and file on or before the first day of June with the Governor, the Department of Finance, and the Kentucky Program Development Office an Annual Report on the scope of activities undertaken pursuant to this Act.

(3) Membership on the Planning and Coordinating Commissions shall be held by the commissioners (not their designee) of such state departments and agencies as deemed appropriate by the Governor. Membership shall be appointed by the Governor. The Commissioner of Finance and the Administrator of the Kentucky Program Development Office as the representative of the Office of the Governor, shall be on all commissions.

(4) Each Planning and Coordinating Commission shall request the Kentucky Program Development Office to employ such staff as the commission may deem necessary for the execution of its responsibilities. Such staff will be directed by the Commission and attached to Kentucky Program Development Office for the purpose of administration and coordination of planning and development activities.

(5) The Commissions shall hold at least quarterly meetings and may hold others on call of the chairmen.

(6) The Commissions shall adopt necessary bylaws to guide in the performance of their duties.

Section 6. A new section of Chapter 147A of the Kentucky Revised Statutes is created to read as follows:

(1) The Governor shall appoint an Advisory Council for each of the Planning and Coordinating Commissions. He shall name all members, a chairman and vice-chairman.

(2) It shall be the duty of the Advisory Councils to advise the Planning and Coordinating Commission on all their activities.

(3) The members of the Council shall be appointed from a broad bipartisan segment of the population which shall include, but not be restricted to, business, industry, labor, management, professional people and laymen. Members shall serve for terms of three years and until their successors are appointed except for the original appointment which shall be staggered one-third for one year, one-third for two years and one-third for three years.

Members of the Council shall serve without pay but may be reimbursed for necessary and actual expenses.

(4) The Council shall adopt necessary bylaws to guide in the performance of their duties.

(5) The Council shall hold regular meetings at least quarterly and special meetings on call of the Chairman of the Planning and Coordinating Commission.

Section 7. A new section of Chapter 147A of the Kentucky Revised Statutes is created to read as follows:

(1) The Kentucky Program Development Office is created within the Executive Department. It shall be the principal staff agency in the executive branch for planning and programming comprehensive development of the Commonwealth's physical, economic, and human resources.

(2) (a) The Governor shall appoint, to serve at his pleasure, an Administrator of the Kentucky Program Development Office, who shall serve as principal executive of the Office.

(b) Pursuant to the purpose of this Act, the "Administrator" is designated as State Planning Officer to act for the Governor in coordinating state and federal programs relating to the development of Kentucky.

(3) The administrator shall subdivide the affairs of the Office into those divisions he deems necessary to properly discharge the responsibilities of the Office, and may appoint such officers and employes necessary to carry out the functions of the Office.

(4) The Office shall, among other things,

(a) Prepare the Comprehensive State Development Plan and Program and submit an Annual Report to the Governor who shall submit it to the Legislature;

(b) Assemble and disseminate developmental information and conduct and report research concerning the programs of federal and state agencies and their availability for the development of Kentucky;

(c) Cooperate with departments and agencies of the Commonwealth in preparing and maintaining plans for the development of the resources of the Commonwealth;

(d) Assist state agencies, state planning and coordinating commissions, advisory councils, units of local government, public and private agencies, area development districts, and federal agencies to achieve comprehensive and coordinated policies and programs for physical, economic, and human resource development;

(e) Apply for and accept grants, gifts, and contributions of money, property, labor, and other things of value from any source, public or private, including grants and other federal assistance from agencies and instrumentalities of the United States and including the receipt and acceptance, on behalf of the Commonwealth of Kentucky and its governmental units, of any such assistance for the purpose of this Act;

(f) Function as the state clearinghouse for coordinating grants or other federal assistance in accordance with procedures outlined in federal directives for any federal programs as may from time to time be available to state and local governmental units;

(g) Serve and assist area development districts by providing:

1. technical assistance by state program specialists;

2. a central information service concerning state and federal programs;

3. coordination between state agencies to achieve harmony between state programs and programs of the Area Development Districts;

4. guidelines to Districts and political subdivisions outlining application procedures for grants or other financial assistance as required by federal or state programs.

(h) Review and desseminate to other agencies and functional planning and coordinating commissions such plans and revisions thereof to enhance coordination between functional areas.

Section 8. If any provision of this Act or the application thereof to any person or circumstances is held invalid, such invalidity shall not affect other provisions or applications of the Act, and to this end the provisions of this Act are severable.

Section 9. This Act shall become effective upon passage.

Committee Substitute, HB 176, AN ACT relating to the coordinating of programs concerned with the development of the state, inter-governmental cooperation, state planning, and providing for the establishment of the Kentucky Program Development Office.

WHEREAS, it is recognized that the Commonwealth of Kentucky is made up of several major geographic areas, each of which differs significantly from the others in basic characteristics of terrain, economy and other physical and cultural features; and

WHEREAS, it is recognized that the differing problems encountered in each of the several areas are not the result of any single cause but involve the comprehensive range of human interests and physical conditions characteristic of each area; and

WHEREAS, there is a need to coordinate and focus the programs of the various agencies of state government to assure their best cooperation with the many other programs of federal agencies, private groups and institutions, and to assure their best use to meet the specific individual-area and total-area problems and to promote the economic growth of each of the differing areas of the Commonwealth; and

WHEREAS, an increasing number of federal and state programs have been adopted which have special effect or benefit for various areas and whose effectiveness is dependent upon and determined by data and criteria evaluated within an area-context; and

WHEREAS, there is a need by state agencies for long range program planning and these program plans need to be coordinated to improve efficiency in the implementation of official state policy;

NOW, THEREFORE,

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. This Act may be cited as the Kentucky Program Development Act, and shall be Chapter 147A of the Kentucky Revised Statutes.

Section 2. A new section of Chapter 147A of the Kentucky Revised Statutes is created to read as follows:

It is the purpose of this Act to provide the state government of the Commonwealth of Kentucky with the means for coordinating with local, regional, state and federal agencies in the planning and development of Kentucky.

Section 3. A new section of Chapter 147A of the Kentucky Revised Statutes is created to read as follows:

As used in this Act unless the context otherwise requires:

(1) "Comprehensive Planning" means planning which consists of the continuing process of assessing needs, resources, and development opportunities; formulating goals, objectives, policies, and standards to guide long-range physical, economic, and human resources development; preparing plans which identify and evaluate alternative courses of action and the relationships among the activities to be carried out under such plans; programming of expenditures of major activities, including capital improvements, in the order in which they are to be commenced, together with plans for financing such activities; and preparation of regulatory and administrative measures in support of the foregoing.

(2) "Office" means the Kentucky Program Development Office.

(3) "Administrator" means the Administrator of the Kentucky Program Development Office.

(4) "Comprehensive State Development Plan" means a document that outlines the activities and findings of the Comprehensive Planning process.

(5) "State Development Program" means a document, prepared annually that specifies the programming of expenditures aspect of the comprehensive planning process.

Section 4. A new section of Chapter 147A of the Kentucky Revised Statutes is created to read as follows:

In addition to subsequent duties under this Act, the Governor shall provide (within the framework of this Act, the Constitution and other laws of Kentucky) for comprehensive and

coordinated planning of state government programs and operations, and to guide the development of Kentucky's physical, economic, and human resources.

Section 5. A new section of Chapter 147A of the Kentucky Revised Statutes is created to read as follows:

(1) The Kentucky Program Development Office is created within the Executive Department. It shall be the principal staff agency in the executive branch for planning and programming comprehensive development of the Commonwealth's physical, economic, and human resources.

(2) (a) The Governor shall appoint, to serve at his pleasure, an Administrator of the Kentucky Program Development Office, who shall serve as principal executive of the Office.

(b) Pursuant to the purpose of this Act, the "Administrator" is designated as State Planning Officer to act for the Governor in coordinating state and federal programs relating to the development of Kentucky.

(3) The administrator shall subdivide the affairs of the Office into those divisions he deems necessary to properly discharge the responsibilities of the Office, and may appoint such officers and employes necessary to carry out the functions of the Office. Such subdivision of affairs shall be accomplished by administrative regulation and shall be filed with the Legislative Research Commission in accordance with the provisions of Chapter 13 of the Kentucky Revised Statutes.

(4) The Office shall, among other things,

(a) Prepare the Comprehensive State Development Plan and Program and submit an Annual Report to the Governor who shall submit it to the Legislature;

(b) Assemble and disseminate developmental information and conduct and report research concerning the programs of federal and state agencies and their availability for the development of Kentucky;

(c) Cooperate with departments and agencies of the Commonwealth in preparing and maintaining plans for the development of the resources of the Commonwealth;

(d) Assist state agencies, state planning and coordinating

commissions, advisory councils, units of local government, public and private agencies, area development districts, and federal agencies to achieve comprehensive and coordinated policies and programs for physical, economic, and human resource development;

(e) Apply for and accept grants, gifts, and contributions of money, property, labor, and other things of value from any source, public or private, including grants and other federal assistance from agencies and instrumentalities of the United States and including the receipt and acceptance, on behalf of the Commonwealth of Kentucky and its governmental units, of any such assistance for the purpose of this Act;

(f) Function as the state clearinghouse for coordinating grants or other federal assistance in accordance with procedures outlined in federal directives for any federal programs as may from time to time be available to state and local governmental units;

(g) Serve and assist area development districts by providing:

1. technical assistance by state program specialists;

2. a central information service concerning state and federal programs;

3. coordination between state agencies to achieve harmony between state programs and programs of the Area Development Districts;

4. guidelines to Districts and political subdivisions outlining application procedures for grants or other financial assistance as required by federal or state programs.

(h) Review and disseminate to other agencies and functional planning and coordinating commissions such plans and revisions thereof to enhance coordination between functional areas.

(i) Submit to the Special Committee on Area Development for review and approval, as provided by Section 6 of this Act, all rules, regulations, procedures and guidelines prepared for the purpose of carrying out the provisions of this Act.

Section 6. A new section of Chapter 147A of the Kentucky Revised Statutes is created to read as follows:

(1) There is hereby created a Special Committee on Area Development which shall be composed of the Governor, Lieutenant Governor and the Attorney General.

(2) The Special Committee on Area Development shall review and approve all rules and regulations prepared for the purpose of carrying out the provisions of this Act.

(3) It shall be the responsibility of the Administrator to submit all rules and regulations required for the purposes of this Act to the Special Committee on Area Development for approval as provided herein. Such rules and regulations shall be approved by the Committee prior to their effective date and prior to their dissemination.

(4) All rules and regulations established under the provisions of this section and any other section of this Act, shall be filed with the Legislative Research Commission in accordance with the provisions of Chapter 13 of the Kentucky Revised Statutes.

Section 7. A new section of Chapter 147A of the Kentucky Revised Statutes is created to read as follows:

Notwithstanding any other provision of this Act to the contrary, the Kentucky Program Development Office created by this Act, shall have no power or authority to:

(1) Engage in programs covered by Federal Acts relating to receipt and disbursement of federal and state funds for programs administered through the Office of Economic Opportunity or its successors.

(2) Engage in programs relating to primary, secondary, vocational education, vocational rehabilitation, nutritional programs, pre-school programs, and higher education programs whether financed wholly or in part by appropriation of state monies, federal aid, or by state and federal funds.

HB 423, AN ACT relating to boiler safety.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Section 236.020 of the Kentucky Revised Statutes is amended to read as follows:

(1) In the Department of Public Safety there shall be a Board of Boiler Rules, which shall hereafter be referred to as the Board, consisting of *seven* [five] members including the commissioner who shall serve as chairman. The other members shall be appointed to the board by the Governor; one for a term of one year, one for a term of two years, *two* [one] for a term of three years and *two* [one] for a term of four years, or until their successors are appointed and qualified. At the expiration of their respective terms of office they, or their successors identifiable with the same interest respectively as provided in this section, shall be appointed for terms of four years each. The Governor may at any time remove any member of the board. Upon the death or incapacity of any member the Governor shall fill the vacancy for the remainder of the vacated term with a representative of the same interests with which his predecessor was identified. Of these *six* [four] appointed members one shall be a practical steam operating engineer of high pressure boilers, or any other representative of owners and users of high pressure boilers within the state; one shall be a representative of the boiler manufacturers within the state; one shall be a representative of a boiler insurance company licensed to do business within the state; and one shall be a representative of the boilermakers within the state [.]*; one shall be a metallurgist specialized in ferrous welding procedures, a practical welder on pressure piping of wide experience or a representative of pipe erecting concerns doing business within the State of Kentucky; and one member shall be a representative of welders or other skilled crafts engaged in erection of pressure piping related to boilers.*

The board shall meet at least four times each year at the Capitol or other place designated by the board. No approval, decision or ruling of the board shall be effective unless supported by the vote of at least *four* [three] members thereof.

(2) The members of the board shall serve without salary and shall receive their actual necessary expenses, incurred while in the performance of their duties as members of the board, to be paid in the same manner as in the case of other state officers.

Section 2. Section 236.030 of the Kentucky Revised Statutes is amended to read as follows:

After reasonable notice and opportunity to be heard, the

Commissioner of Public Safety, upon advisement by the board, shall by general order, rule or regulation, fix reasonable standards for the safe construction, installation, inspection and repair of boilers *and associated pressure piping* in this state. Orders, rules and regulations prescribed by the board shall be enforced by the Department of Public Safety.

Section 3. Section 236.040 of the Kentucky Revised Statutes is amended to read as follows:

(1) No boiler which does not conform to the rules and regulations formulated by the commissioner governing new construction and installation shall be installed and operated in this state after twelve months from the date upon which the first rules and regulations under KRS 236.005 and 236.150 pertaining to new construction and installation shall have become effective.

(2) *All new connecting piping subjected to pressure emanating from a power or heating boiler shall be considered part of the boiler installation, subject to the same Boiler Code requirements and shall be designed in accordance with the rules of A.S.M.E. Power Piping Code U.S.A.S.B.31.1 or its subsequent revisions. Inspection of such piping shall be performed by an inspector qualified under KRS 236.070 or KRS 236.080.*

Section 4. Section 236.060 of the Kentucky Revised Statutes is amended to read as follows:

(1) KRS 236.005 to 236.150 shall not apply to boilers *or related piping* under Federal control.

(2) KRS 236.005 to 236.150 shall not apply to the following boilers [:] *or related piping*:

(a) Boilers located on farms and used solely for agricultural purposes;

(b) Boilers located at any oil refineries;

(c) Steam or vapor boilers used for heating purposes carrying a pressure of not more than fifteen pounds per square inch gauge, and which are located in private residences or in apartment houses of less than six families;

(d) Hot water heating boilers carrying a pressure of not more than thirty pounds per square inch gauge *which are located*

in private residences or in apartment houses of less than six families or hot water supply boilers which are located in private residences or in apartment houses of less than six families;

(e) Any unfired pressure vessels used as containers for liquefied petroleum gases and subject to the jurisdiction of the Department of Public Safety under KRS Ch. 234.

Section 5. Section 236.110 of the Kentucky Revised Statutes is amended to read as follows:

(1) On and after July 1, 1962, each boiler used or proposed to be used within this state, except boilers exempt under KRS 236.060, shall be thoroughly inspected as to their construction, installation and condition as follows:

(a) Power boilers, meaning boilers operating at steam or vapor pressures in excess of fifteen pounds per square inch gauge, shall be inspected annually both internally and externally while not under pressure and shall also be inspected annually externally while under pressure if possible;

(b) Low pressure steam or vapor heating boilers, hot water heating boilers and hot water supply boilers shall be inspected both internally and externally biennially where construction will permit;

(c) A grace period of two months beyond the periods specified in paragraphs (a) and (b) of this subsection may elapse between inspections;

(d) The department may at its discretion permit longer periods between inspections;

(e) *Upon effective date or on and after July 1, 1970 any new boiler installation to be used within this state, excepting boilers exempted under KRS 236.060, shall be inspected during the installation period to ascertain that all pressure piping conforms to the requirements of KRS 236.040. An inspection certificate (or operating certificate) may not be issued on any new installation until these requirements are fulfilled.*

(f) *It shall be the responsibility of the installing contractor to request the above inspection by notifying the Bureau of Boiler Inspection that the installation is ready for such inspection. This must be accomplished prior to covering of any welded or mechan-*

ical joints on pressure piping or valves by insulation, paint or structural materials. The contractor shall provide ready access for the inspector to all parts of the piping system.

(g) *Inspection of pressure piping applies only to new installations or reinstallations or installation of second-hand boilers (as defined under "Boiler Rules and Regulations") installed or reinstalled after July 1, 1970. No annual or biennial reinspection is required once the system has been approved.*

(h) *"Existing installations", as applied to inspection of piping systems is defined as any boiler and piping system completed and approved for operation prior to July 1, 1970. Such existing installations will not be subject to the foregoing piping inspection unless adjudged patently unsafe for operation by an inspector holding a commission issued by the National Board of Boiler and Pressure Vessel Inspectors. If an existing installation is so adjudged the owner will be granted full rights of appeal as set forth under KRS 236.150.*

(i) *At such time as an existing installation undergoes extensive overhaul or more than fifty (50) linear feet of pressure piping requires renewal or is added to the existing system, the entire system of piping carrying pressure emanating from the boiler (s) shall be subject to inspection and will be brought up to standards required by KRS 236.040.*

(j) *The installing contractor of a piping system carrying pressure emanating from a boiler subject to inspection under provisions of KRS 236.050 to 236.150, shall pay to the Department, upon completion of inspection, fees in accordance with a schedule set up by the Board of Boiler Rules and approved by the Commissioner.*

(k) *Operation of a pressure piping system in conjunction with a boiler, either of which has not been inspected and approved as set forth above, shall be subject to fines and penalties as set forth in KRS 236.990.*

(2) The inspections required in this section shall be made by a boiler inspector or by a special boiler inspector provided for in this chapter.

(3) If at any time a hydrostatic test shall be deemed neces-

sary, same shall be made, at the discretion of the inspector, by the owner or user thereof.

(4) All boilers to be installed in this state after *July 1, 1970,* [the twelve months period from the date upon which the rules and regulations of the board shall become effective,] shall be inspected during construction as required by the applicable rules and regulations of the department by a boiler inspector authorized to inspect boilers in this state, or, if constructed outside of the state, by an inspector holding a certificate of competency as an inspector of boilers for a state that has a standard of examination substantially equal to that of this state as provided in KRS 236.090.

HB 449, AN ACT relating to water resources.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Section 151.220 of the Kentucky Revised Statutes is amended to read as follows:

The division shall:

(1) Undertake for and as the official agency of the state, such studies and prepare such reports and recommendations as may be necessary to establish a state-wide program of flood control (including major drainage), and a state-wide program for the development of water resources;

(2) Study and review for the state as its official agency, all survey reports, engineering reports and other reports concerning or affecting projects within the state which are proposed for construction by the Federal government, the state government or any agency or subdivision thereof, or which will involve the expenditure of Federal or state funds, and which might affect flood control or the development of water resources of the state, and to act as the official representative of the state in any representations, recommendations or requests to Congress or the General Assembly concerning such projects or the priority which should be accorded them with relation to the state-wide program;

(3) Make a continuous water resources study of data from other existing state or federal agencies and such other sources

as may be available. From such studies, the division with the approval of the department shall formulate amendments to present and future water resources laws, whenever necessary, to maintain the maximum beneficial use of the water resources of the Commonwealth;

(4) Cooperate with any local, state or federal agency, or the agencies of any other state engaged or proposing to engage in any work which will affect or be affected by the functions of the division and may lend to or receive from any such agency such financial assistance as may be necessary within the limits of authorized expenditure;

(5) Have, for flood control and water resources development purposes, jurisdiction over all streams within or bordering upon the state. Whenever necessary, the divisions shall have the authority to establish and enforce floodways along such streams;

(6) Have authority to accept and use gifts, contributions, donations and grants;

(7) Adopt, with the approval of the department, certain rules and regulations pertaining to flood control and water resources found necessary in the administration of its duties.

(8) Have the authority, for flood control purposes, to require the modification of all bridges except those maintained by the Highway Department, or other structures which are determined to be significantly obstructive to flood flows and result in substantial flood damage to property constructed prior to installation of the obstructive works.

HB 679, AN ACT relating to the administrative organization of the Department of Public Safety.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 17.010 is amended to read as follows:

(1) There shall be in the State Government a Department of Public Safety, a department within the meaning of KRS Chapter 12, the executive head of which shall be a Commissioner of Public Safety.

(2) The Commissioner of Public Safety shall be appointed by the Governor as provided in KRS 12.040.

(3) The Department of Public Safety shall be divided for administrative purposes into a Division of Administrative Services, [a Division of Accident Control,] a Division of Kentucky State Police, a Division of Fire Prevention, a Division of Driver Licensing, and a Division of *Motor Vehicle Inspection* [Boating,] but this provision does not affect the authorization to establish new divisions and make changes with respect to existing divisions in accordance with KRS 12.030.

HB 680, AN ACT relating to Boats and Boating.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 235.010 is hereby amended to read as follows:

As used in this chapter unless the context clearly requires a different meaning:

(1) "Vessel" means every description of watercraft, other than a seaplane on the water, used or capable of being used as a means of transportation on water.

(2) "Motorboat" means any vessel propelled by machinery, whether or not such machinery is the principal source of propulsion, but shall not include a vessel which has a valid marine document issued by the Bureau of Customs of the United States Government or any federal agency successor thereto.

(3) "Owner" means a person, other than a lien holder, having the property in or title to a motorboat. The term includes a person entitled to the use or possession of a motorboat subject to an interest in another person, reserved or created by agreement and securing payment or performance of an obligation, but the term excludes a lessee under a lease not intended as security.

(4) "Waters of this state" means any waters within the territorial limits of this state.

(5) "Person" means an individual, partnership, firm, corporation, association, or other entity.

(6) "Operate" means to navigate or otherwise use a motorboat or a vessel.

(7) "Department" means the Department of Public Safety.

[(8) "Division" means the Division of Boating within the Department of Public Safety.]

(8) [(9)] "License" and "certificate of number" as used herein are synonymous.

(9) [(10)] "Clerk" means circuit court clerk.

Section 2. KRS 235.030 is hereby amended to read as follows:

This chapter shall be known as the State Boating Act and shall be administered by the *Department of Public Safety* [Division of Boating].

Section 3. KRS 235.050 is hereby amended to read as follows:

(1) Except as otherwise provided in this chapter, before the owner or operator or each motorboat required to be registered and numbered by KRS 235.040 may operate it or permit its operation upon the waters of this state, the owners shall apply for registration to the circuit court clerk of the county in which he resides, except, if the motorboat is to be operated principally in a county other than the county of the owner's residence the owner may apply for registration to the circuit court clerk of the county in which the motorboat is to be principally operated. A motorboat last registered in another state and purchased by a person for operation in this state shall be first registered in this state by and in the name of the purchaser and not in the name of the seller. The application shall be in quadruplicate with one copy to be retained by the circuit court clerk, one copy to be forwarded to the *department* [division], and the original and one copy to be forwarded by the clerk to the Department of Revenue. The original application shall be accompanied by:

(a) A bill of sale, if the application is for registration of a new motorboat; or

(b) The owner's registration receipt if the motorboat was last registered in this state; or

(c) A bill of sale and the previous registration receipt if last registered in another state; and

(d) The annual registration fee.

(2) Motorboats shall be registered annually.

Section 4. KRS 235.070 is hereby amended to read as follows:

(1) Every person seeking a license or certificate of number or renewal for operation of a motorboat shall apply in person to the circuit court clerk of the county as provided in KRS 235.050 and make application on a form furnished by the *department* [division]. The application shall contain the full name and signature, citizenship of applicant, date of birth, sex, race, present resident address, the make of the boat, serial number, if any, length, beam, motive power, maximum capacity, type of hull material, and intended use of boat. The application shall state whether the motorboat is equipped with toilet facilities and shall describe the number and type of such facilities and shall state whether the storage container or treatment or disposal system for such facilities is a type approved by regulations of the Kentucky Water Pollution Control Commission. It shall also state whether the applicant has been previously licensed or registered as an owner, and if so, when and by what state or county, whether any license registration or certificate number has been cancelled, suspended, revoked, refused, and if so, the date of and reason for cancellation, suspension, revocation or refusal and such other information as may be required.

(2) Every applicant shall make oath as to the truthfulness of the statements contained in the form.

(3) The clerk shall, after determining that the applicant has complied with the law concerning applications, issue a [temporary license,] certificate of number or renewal thereof. [to be valid for not more than ninety days. Such temporary license shall be valid in lieu of the permanent license during the certification period and must be destroyed upon receipt of the permanent certificate from the Division of Boating.]

(4) No license for the operation of a motorboat shall be issued, if the motorboat is equipped with toilet facilities but is

not equipped with a storage container or treatment or disposal system of a type approved under regulations promulgated by the Kentucky Water Pollution Control Commission.

Section 5. KRS 235.080 is hereby amended to read as follows:

(1) With the exception of motorboats for hire by a boat livery, the annual registration fee for motorboats shall be based upon length of the motorboat as follows: 1 foot to 16 feet—$3.00; 16 feet to 26 feet—$5.00; 26 feet to 40 feet—$8.00; 40 feet and larger—$10.00. The annual registration fee for all inboard motorboats shall be $10.00. Every application shall be accompanied by the registration fee above set out.

(2) The annual registration fee for boats for hire from a boat livery shall be as follows: 1 foot to 16 feet—$1.00; 16 feet to 26 feet—$2.50; 26 feet to 40 feet—$4.00; 40 feet and larger and inboard motorboats—$5.00. Owners of a boat livery shall apply for licenses or certificates in the manner provided in this chapter, but the *department* [division] may promulgate special rules and regulations relating to their certification and registration.

Section 6. KRS 235.090 is hereby amended to read as follows:

No later than the tenth day of each month the circuit court clerk shall make a written report to the *department* [division] which shall include the name and address of those persons who have applied for registration of motorboats, the length and type of such motorboat, and the registration fee charged and the amount of registration fee collected from the applicant. This report shall cover the period of the calendar month preceding the report. The original applications for registration and the fees collected by the clerk shall be forwarded with a copy of the said report to the Department of Revenue. The clerk shall collect from each owner a fee in the sum of fifty cents for each registration in addition to the registration fee.

Section 7. KRS 235.100 is hereby amended to read as follows:

Upon receipt of the clerk's report and copies of the appli-

cations, the *department* [division] shall cause each of said applications to be entered upon the records of its office *along with* [and shall issue to the applicant a certificate of number stating] the number awarded to the motorboat, the name and address of the owner, and any other information prescribed by the *department* [division].

Section 8. KRS 235.110 is hereby amended to read as follows:

(1) The owners shall cause to be painted on or attached to each side of the bow of the motorboat the identification number in such manner as may be prescribed by rules and regulations of the *department* [division] in order that it may be clearly visible. The number shall be maintained in legible condition. The certificate of number shall be pocket size and shall be available at all times for inspection on the motorboat for which issued, whenever such motorboat is in operation.

(2) All numbers placed upon the bow of a motorboat subject to this numbering system shall be of such size, color and type as the *department* [division] may by regulation prescribe, but not less than three inches in height. All such regulations shall be in accordance with any federal uniform regulations concerning such matters as may be currently in effect.

(3) No number other than the number awarded to a motorboat or granted reciprocity pursuant to this chapter shall be painted, attached, or otherwise displayed on either side of the bow of such motorboat.

Section 9. KRS 235.130 is hereby amended to read as follows:

(1) Whenever a motorboat that has been previously registered in Kentucky changes ownership, the registration number previously assigned shall remain a part of it.

(2) No person acting for himself or another shall buy or trade for any motorboat without receiving the certificate of number issued for that boat for the current period with a certificate of transfer endorsed thereon.

(3) It shall be the duty of the purchaser to record the endorsed certificate of number with the circuit court clerk of

the county of the purchaser's residence or in which the motorboat is to be principally operated and to pay a transfer fee of $1.00. The clerk thereupon shall forward the endorsed certificate of number to the *department* [division] and the transfer fee to the Department of Revenue. Upon receipt of the endorsed certificate the *circuit clerk* [division] shall thereupon issue a new certificate of number bearing the same *data* [date] and information required on the original certificate of number except the change in owner's name and address. The clerk shall charge the purchaser a fee of $0.50.

Section 10. KRS 235.150 is hereby amended to read as follows:

The *circuit clerk* [division] shall insofar as is practicable assign to each motorboat the number previously assigned thereto upon each subsequent registration.

Section 11. KRS 235.170 is hereby amended to read as follows:

(1) Every certificate of number awarded pursuant to this chapter shall continue in full force and effect for a period of one year unless sooner terminated or discontinued in accordance with the provisions of this chapter.

(2) The *department* [division] shall fix a day and month of the year on which certificates of number due to expire during the calendar year shall elapse and no longer shall be in force unless renewed pursuant to this chapter.

Section 12. KRS 235.190 is hereby amended to read as follows:

Any holder of a certificate of number shall notify the *department* [division] within fifteen days if his address no longer conforms to the address appearing on the certificate and shall, as a part of such notification, furnish the *department* [division] with his new address. The *department* [division] may provide in its rules and regulations for the surrender of the certificate bearing the former address and its replacement with a certificate bearing the new address or for the alteration of an outstanding certificate to show the new address of the holder.

Section 13. KRS 235.200 is hereby amended to read as follows:

(1) Every motorboat shall have aboard:

(a) One life preserver, *buoyant* [bouyant] vest, ring buoy or buoyant cushion of the type approved by the Commandant of the United States Coast Guard in good and serviceable condition for each person on board.

(b) When in operation during hours of darkness, lights sufficient to make the motorboat's presence and location known to any and all other vessels within a reasonable distance.

(c) If carrying or using any [in]flammable or toxic fluid in any enclosure for any purpose, and if not an entirely open motorboat, an efficient natural or mechanical ventilation system which shall be capable of removing resulting gases prior to, and during, the time such motorboat is occupied by any person.

(d) Such additional equipment designed to promote the safety of navigation and of persons as the *department* [division] may find to be appropriate and for which it has provided in its rules and regulations.

(e) If such motorboat is equipped with toilet facilities, a storage container or a treatment or disposal system of size and construction sufficient to protect and preserve the waters of this state from pollution. The storage container or treatment or disposal system shall conform to such construction, performance and utilization criteria as may be established by regulations of the Kentucky Water Pollution Control Commission.

(2) No person shall operate or give permission for the operation of a motorboat which is not equipped as required by this section or modification thereof, or which is not safe for operation as a motorboat.

Section 14. KRS 235.210 is hereby amended to read as follows:

A motorboat shall not be required to be numbered under this chapter if it is:

(1) Already covered by a number in full force and effect which has been awarded to it pursuant to federal law or a federally approved numbering system of another state, provided,

that such boat shall not have been within this state for a period in excess of ninety consecutive days;

(2) A motorboat from a country other than the United States temporarily using the waters of this state;

(3) A motorboat whose owner is the United States, a state or a subdivision thereof;

(4) A ship's lifeboat used or intended to be used as such;

(5) A motorboat belonging to a class of boats which has been exempted from numbering by the *department* [division] after said agency has found that the numbering of motorboats of such class will not materially aid in their identification; and, if an agency of the federal government has a numbering system applicable to the class of motorboats to which the motorboat in question belongs after the *department* [division] has further found that the motorboat would also be exempt from numbering if it were subject to the federal law.

Section 15. KRS 235.220 is hereby amended to read as follows:

Every manufacturer of, or dealer in motorboats in this state shall register with the *department* [division] at Frankfort, Kentucky, and pay an annual registration fee of twenty-five dollars to the *department* [division]. Upon receipt of this fee the *department* [division] shall issue to the manufacturer or dealer a certificate of number and a plate bearing the number assigned, which plate shall be so designed that it can be transferred from boat to boat. Every manufacturer or dealer registered under this section shall be furnished additional dealer certificates of number and plates upon the payment of two dollars for each additional certificate of number desired. A motorboat bearing dealer's plates and carrying a dealer's certificate of number may be used only by a member of the firm registered or by a bona fide salesman or employe of the firm for any purpose reasonably connected with the sale or demonstration for sale and delivery of the dealer's motorboat or by any manufacturer or dealer licensed as provided above in transporting any motorboat over the waters of this state to his place of retail business for the manufacturer or wholesale dealer in motorboats and for no other purpose.

Section 16. KRS 235.250 is hereby amended to read as follows:

(1) It shall be the duty of the operator of a vessel involved in a collision, accident, or other casualty, so far as he can do so without serious danger to his own vessel, crew, and passengers (if any), to render to other persons affected by the collision, accident, or other casualty such assistance as may be practicable and as may be necessary in order to save them from or minimize any danger caused by the collision, accident or other casualty, and also to give his name, address, and identification of his vessel in writing to any person injured and to the owner of any property damaged in the collision, accident, or other casualty.

(2) In the case of collision, accident, or other casualty involving a vessel, the operator thereof, if the collision, accident or other casualty results in death or injury to a person or damage to property in excess of one hundred dollars shall file with the *department* [division] a full description of the collision, accident, or other casualty, including such information as said agency may, by regulation, require.

Section 17. KRS 235.260 is hereby amended to read as follows:

All required accident reports and supplemental reports shall be without prejudice to the individual making them, and shall be for the confidential use of the *department* [division], except that the *department* [division] may disclose the identity of a person involved in an accident when his identity is not otherwise known or when he denies his presence at an accident. No such report shall be used in evidence in any trial arising out of an accident, but the *department* [division] shall furnish upon demand of any person who has, or claims to have, made such a report or, upon demand of any court, a certificate showing that a specified accident report has or has not been made to the *department* [division]; solely in order to prove compliance or noncompliance with the requirements of KRS 235.250 that such a report be made.

Section 18. KRS 235.270 is hereby amended to read as follows:

In accordance with any request duly made by an authorized

official or agency of the United States, any information compiled or otherwise available to the *department* [division] pursuant to KRS 235.250 shall be transmitted to said official or agency of the United States.

Section 19. KRS 235.280 is hereby amended to read as follows:

The [division, with the approval of the] *c* [C]ommissioner shall promulgate rules and regulations to govern:

(a) The fair, reasonable, equitable and safe use of all waters of this state by the fishing public and the boating public of whatever nature or activity involved;

(b) The operation of boats on any waters of this state towing a person or persons on water skis, a surfboard, or similar device;

(c) The safe use and operation of all boats, floating docks, skiing ramps, slides or similar devices on any waters of this state.

Section 20. KRS 235.290 is hereby amended to read as follows:

(1) The *department* [division] may authorize the holding of regattas, motorboat or other boat races, marine parades, tournaments or exhibitions on any waters of this state. It shall adopt and may, from time to time, amend regulations concerning the safety of motorboats and other vessels and persons thereon, either observers or participants. Whenever a regatta, motorboat or other boat race, marine parade, tournament or exhibition is proposed to be held, the person in charge thereof shall, at least fifteen days prior thereto, file an application with the *department* [division] for permission to hold such regatta, motorboat or other boat race, marine parade, tournament or exhibition. The application shall set forth the date, time and location where it is proposed to hold such regatta, motorboat or other boat race, marine parade, tournament or exhibition, and it shall not be conducted without authorization of the *department* [division] in writing.

(2) The provisions of this section shall not exempt any person from compliance with applicable federal law or regulations, but nothing contained herein shall be construed to require the securing of a state permit pursuant to this section if a permit

thereof has been obtained from an authorized agency of the United States.

Section 21. KRS 235.310 is hereby amended to read as follows:

[(1)] The *department* [division] shall designate officers and employes of the agency to enforce the provisions of this chapter. Such officers and employes so designated have the powers of peace officers of the Commonwealth in the performance of such duties. In enforcing the provisions of this chapter such officers and all other peace officers of the Commonwealth and its subdivisions shall have the right to enter upon all waters of this state, either private or public, for the purpose of inspecting certificate of registration and boat numbering, and shall have the right to enter upon all boats on such waters for the purpose of examining their registration documents. They may arrest on sight, without warrant, any person detected by them in the act of violating any of the provisions of this chapter. They shall have the same right as sheriffs to require aid in arresting, with or without process, any person found by them violating any of the provisions of this chapter.

[(2) All peace officers and other employes in the division shall be covered by the state merit system established by KRS Chapter 18 and shall not be covered by the merit system for other peace officers in the Department of Public Safety as provided in KRS Chapter 16.]

Section 22. KRS 235.330 is hereby amended to read as follows:

[(1)] All monies collected under the provisions of this chapter shall be paid into the State Treasury in the manner prescribed by law, and credited to the general expenditure fund.

[(2) Appropriations for the operation of the Division of Boating shall be made from the general expenditure fund.]

Section 23. KRS 235.020, KRS 235.060 and KRS 235.320 are hereby repealed.

HB 715, AN ACT relating to the rights of action against counties.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. A new section of Chapter 411 of the Kentucky Revised Statutes is created to read as follows:

The provisions of common law to the contrary notwithstanding, an action may lie against a county in any case where real or personal property of any citizen which is in the custody or control of the county police, sheriff's office, or county court is damaged, destroyed, lost, or sold through the negligence, or by design, of any officer or employe of the county court, sheriff's office, or county police. The provisions of this act shall not apply to property which is contraband or which is being lawfully disposed of by a court pursuant to a criminal conviction or civil process.

HB 717, AN ACT relating to the review of administrative regulations.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. A new section of Chapter 13 of the Kentucky Revised Statutes is created to read as follows:

The Legislative Research Commission shall forthwith forward to the Attorney General a copy of each regulation filed with it pursuant to KRS 13.085, in order that the Attorney General may have an opportunity, except in cases of emergency measures, to review such regulations for legality prior to their becoming effective. Review by the Attorney General shall not be mandatory, and shall not affect the effective dates of regulations, unless the Attorney General elects to certify to the Legislative Research Commission that in his opinion a certain regulation is invalid because unconstitutional, or without authority of law, or in conflict with the statutes, in which case the subject regulations shall not become effective.

HB 737, AN ACT relating to business and consumer protection.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. A new section of Chapter 367 of the Kentucky Revised Statutes is created to read as follows:

This Act may be cited as the Business and Consumer Protection Act.

Section 2. A new section of Chapter 367 of the Kentucky Revised Statutes is created to read as follows:

The purpose of this Act shall be to protect business and consumers from misrepresentation and deceptive practices in the conduct of any trade or commerce in part or wholly within this Commonwealth.

Section 3. A new section of Chapter 367 of the Kentucky Revised Statutes is created to read as follows:

As used in this Act, unless the context otherwise requires:

(1) "Advertisement" means the attempt by publication, dissemination, solicitation or circulation to induce, directly or indirectly, any person to enter into any obligation, or acquire any title or interest in any merchandise or service;

(2) "Merchandise" includes any objects, wares, goods, commodities, intangibles, real estate, or anything offered, directly or indirectly, to the public for sale;

(3) "Service" means any maintenance, repair, advice, counsel, or treatment by any person in the conduct of any occupation;

(4) "Person" means any domestic or foreign individual, corporation, business, estate, trust, partnership, unincorporated association, or any other legal or commercial entity;

(5) "Sale" means any sale, rental or distribution, offer for sale, rental or distribution, or attempt directly or indirectly to sell, rent or distribute any merchandise or service for cash or on credit.

Section 4. A new section of Chapter 367 of the Kentucky Revised Statutes is created to read as follows:

(1) The act, use or employment by any person of any de-

ception, fraud, false pretense, false promise or misrepresentation, in connection with the sale or advertisement of any merchandise or service, is an unlawful practice.

(2) Section 4(1) of this Act shall not apply to:

(a) the owner or publisher of newspapers, magazines or publications wherein such advertising appears, or to the owner or operator of a radio or television station which disseminates such advertisement when the owner, publisher or operator has no knowledge that such advertisement may be in violation of Section 4(1) of this Act; or

(b) any specific advertising approved by a duly-constituted Federal Regulatory Agency as to matters covered by this Act.

Section 5. A new section of Chapter 367 of the Kentucky Revised Statutes is created to read as follows:

(1) This Act shall not be construed to impair or limit the functioning of other agencies of this Commonwealth with jurisdiction over matters covered by this Act.

(2) The Attorney General shall cooperate with any governmental agency of the Commonwealth which has statewide jurisdiction over a subject matter covered by this Act to avoid duplication of investigation or remedial action.

Section 6. A new section of Chapter 367 of the Kentucky Revised Statutes is created to read as follows:

(1) Whenever the Attorney General has reason to believe that a person has engaged in, or is engaging in, any practice declared by this Act to be unlawful, and when he believes it to be in the public interest, he may conduct an investigation to ascertain whether a person in fact has engaged in, or is engaging in, any practice declared by this Act to be unlawful.

(2) To accomplish the purposes of Section 6(1) of the Act, the Attorney General shall first seek voluntary cooperation of persons. If the Attorney General has probable cause to believe that a violation has occurred, he may thereafter apply to a circuit court having jurisdiction or the Franklin Circuit Court for permission to issue subpoenas duces tecum and/or ad testificandum to any person, administer an oath or affirmation to any

person, require any such person to file, on such forms as the Attorney General prescribes, a statement or a report in writing under oath or otherwise as to the facts and circumstances concerning the transaction or transactions in question, and such other data and information as he may deem necessary, or conduct hearings in aid of any investigation or inquiry. Such motion shall state in writing the grounds which the Attorney General believes constitute probable cause. Upon refusal by any person to comply with a subpoena as set out in this Act, provide an oath or affirmation, or cooperate in hearings in aid of any investigation or inquiry, a circuit court in the Commonwealth of Kentucky shall issue an appropriate order of contempt, upon application of the Attorney General.

(3) Whenever the Attorney General has probable cause to believe that a person has engaged in, or is engaging in, any practice declared by this Act to be unlawful and whenever the Attorney General has probable cause to believe that information will not be obtainable pursuant to Section 6(2) during the course of any investigation, he may apply to a circuit court ex parte for an order impounding any record, book, document, account, paper or sample of merchandise, material to such practice under investigation. Such motion shall state in writing the grounds which the Attorney General believes constitutes probable cause. The circuit court shall specify by order the length of time for copy or inspection.

Section 7. A new section of Chapter 367 of the Kentucky Revised Statutes is created to read as follows:

Any book, record, paper, memorandum or other documentary information produced by any person pursuant to this Act, or any copy thereof, shall not, unless otherwise ordered by a court of this Commonwealth for good cause shown, be disclosed to any person other than the Attorney General or his authorized agent or representative or other governmental agency, unless the consent of the person producing the same is obtained, or such documentary information is filed as a matter of record in the circuit court having jurisdiction in the action.

Section 8. A new section of Chapter 367 of the Kentucky Revised Statutes is created to read as follows:

Any person may apply to a circuit court for an appropriate order to protect such person from any unreasonable investigative action taken pursuant to this Act.

Section 9. A new section of Chapter 367 of the Kentucky Revised Statutes is created to read as follows:

To the fullest extent permitted by the Constitution of the United States, service of a subpoena or demand pursuant to Section 6 of this Act may be had in the manner prescribed by the Kentucky Rules of Civil Procedure.

Section 10. A new section of Chapter 367 of the Kentucky Revised Statutes is created to read as follows:

(1) Any person with actual notice that an investigation has begun or is about to begin pursuant to Section 6 of this Act who intentionally conceals, alters, destroys, or falsifies documentary material is subject to a fine of not less than one hundred dollars nor more than five thousand dollars.

(2) Any person who in response to a subpoena or demand as provided in Section 6 of this Act who intentionally falsifies or withholds documents, records, or pertinent materials that are not privileged, is subject to a fine as provided in Section 10(1) of this Act.

Section 11. A new section of Chapter 367 of the Kentucky Revised Statutes is created to read as follows:

At any time prior to the institution of a suit against a person for violation of Section 4 of this Act, the Attorney General may accept an Affidavit of Discontinuance from any person who is alleged to have engaged in an activity declared by this Act to be unlawful, providing for the immediate discontinuance of all practices set forth in the Affidavit, and for such other action deemed necessary to correct the results of such practices. No proceeding shall be instituted thereafter by the Attorney General on the specific activities covered by such Affidavit, unless the provisions contained in the Affidavit appear to have been violated.

Section 12. A new section of Chapter 367 of the Kentucky Revised Statutes is created to read as follows:

(1) The Attorney General may enforce the provisions of Section 4 of this Act by civil action for injunctive relief in a circuit court of this Commonwealth. In such action to obtain said injunction it shall be sufficient to allege and prove that a violation of this Act has occurred, and it shall not be necessary to allege or prove that any person has been misled or deceived thereby, or that any person has been damaged or has sustained loss as a result of any violation of this Act.

(2) Such an action may be brought in any county of this Commonwealth where the alleged unlawful practice has been partially or completely performed, or in that county in which the defendant has his principal place of business in this Commonwealth.

Section 13. A new section of Chapter 367 of the Kentucky Revised Statutes is created to read as follows:

Whenever it appears that the public interest will be served by doing so, the Attorney General may authorize a Commonwealth's attorney or county atorney to institute an investigation or an action pursuant to the provisions of this Act.

Section 14. A new section of Chapter 367 of the Kentucky Revised Statutes is created to read as follows:

In addition to the aforementioned injunctive relief, in actions filed pursuant to this Act, the circuit court may grant such other relief as it deems necessary, including, but not limited to, restitution to any person who has been injured by an unlawful practice if such person presents his claim to the court in a manner prescribed by the court. Nothing in this section shall be construed to limit a defendant's right to examine, impeach and rebut evidence presented against him.

Section 15. A new section of Chapter 367 of the Kentucky Revised Statutes is created to read as follows:

If a circuit court after appropriate notice and hearing shall make a finding that a person has violated the provisions of any injunction or order issued pursuant to this Act, the circuit court may assess such civil contempt penalty as it deems appropriate,

Section 16. A new section of Chapter 367 of the Kentucky Revised Statutes is created to read as follows:

Personal service of any process in an action under this Act may be made upon any person outside of the State if such person has engaged in conduct in violation of this Act in this State. Such persons shall be deemed to have thereby submitted themselves to the jurisdiction of the courts of this State within the meaning of this section.

Section 17. A new section of Chapter 367 of the Kentucky Revised Statutes is created to read as follows:

Civil penalties, fines, and money judgements recovered by the Attorney General in litigation on behalf of the Commonwealth of Kentucky under the Federal Antitrust laws where consistent with court order shall be deposited in the State Treasury to the credit of the General Expenditure Fund, except that there shall be deposited to the credit of a Trust and Agency Fund to be available for the general operation of the Department of Law the following portions of such receipts: for the fiscal year 1969-70, the first $100,000 thereof; for the fiscal year 1970-71, the first $160,000 thereof; for the fiscal year 1971-72, the first $100,000 thereof. Any balance remaining in this Trust and Agency Fund for the Department of Law at the close of any fiscal year shall not lapse, but shall continue into the next fiscal year.

Section 18. A new section of Chapter 367 of the Kentucky Revised Statutes is created to read as follows:

If any provision of this Act or the application thereof to any persons or circumstances is held invalid, the invalidity shall not affect other provisions or application of this Act which can be given effect without the invalid provisions or application, and to this end the provisions of this Act are severable.

SB 241, AN ACT relating to special local peace officers.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Section 61.360 of the Kentucky Revised Statutes is amended to read as follows:

(1) The Governor may appoint special local peace officers,

for such time as he deems necessary, to preserve the peace and protect the property of any person from waste or destruction. Upon the application of an owner of property for such services, and upon payment of a fee of five dollars for each officer to be appointed, the Governor shall immediately appoint the person recommended by the owner, if the person is eligible. No person shall be eligible for appointment under this section unless he has established to the satisfaction of the Governor that he possesses the qualifications prescribed for nonelective peace officers by KRS 61.300. The Governor may remove any officer so appointed at will or at the request of the owner of the property.

(2) The duties of the officer shall be confined to the premises of the property to be protected, except while in pursuit of a person fleeing from the property after committing an act of violence or destruction of the property. In that case, the officer may pursue the person and make arrest anywhere within this state. He may wear such badges and insignia as will plainly indicate to the public that he is a special local peace officer, but he shall not, in any event, wear any uniform, or any part thereof, of any public police officer; nor shall he in any way impersonate a public police officer or represent himself to any person or persons as being a public police officer; nor shall he perform any of the duties of a public police officer, except those specifically herein granted and at the places herein specifically designated.

[(3) When application is made for the appointment of an officer under this section, the Governor shall require the owner to pay into the State Treasury an amount equal to the salary of the officer, and the salary of the officer shall be paid directly out of the State Treasury by order of the Governor.]

(3) [(4)] Application fees shall be placed in the State Treasury and credited to a revolving fund for administrative expenses.

(4) [(5)] Any person who violates any of the provisions of this section shall be fined not less than ten nor more than one hundred dollars or imprisoned not less than five nor more than thirty days, or both.

The Committee on Education reported **HB 597, HB 707, SB 168, SB 194, SB 215, SB 216** and **SB 228** with the expression

of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 597, AN ACT relating to school districts.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. A new section of Chapter 160 of the Kentucky Revised Statutes is created to read as follows:

There shall be thirty-four county school districts in this state and one independent school district. The following shall comprise the thirty-four districts:

1. Ballard, Carlisle, Hickman, Fulton, Graves
2. McCracken
3. Livingston, Marshall, Calloway, Lyon, Trigg
4. Henderson, Union, Webster, Hopkins, Crittenden, Caldwell
5. Christian, Todd
6. Daviess
7. McLean, Ohio, Muhlenberg
8. Logan, Warren, Simpson
9. Hancock, Breckinridge, Meade, Grayson, Butler, Edmonson
10. Hardin, Larue, Hart
11. Barren, Metcalf, Allen, Monroe
12. Bullitt, Nelson, Spencer, Shelby
13. Washington, Marion, Green, Taylor, Casey
14. Adair, Russell, Cumberland, Clinton, Wayne
15. Lincoln, Pulaski, Rockcastle
16. Anderson, Mercer, Boyle, Garrard
17. Franklin, Scott, Woodford, Jessamine
18. Oldham, Trimble, Henry, Carroll, Owen, Gallatin, Grant, Boone
19. Kenton

20. Campbell, Pendleton, Bracken, Harrison, Robertson
21. Bourbon, Nicholas, Clark, Montgomery
22. Fayette
23. Madison, Estill, Lee, Jackson, Owsley
24. Laurel, McCreary, Whitley
25. Clay, Knox, Bell
26. Harlan, Letcher
27. Leslie, Perry, Knott, Breathitt
28. Magoffin, Johnson, Floyd, Martin
29. Pike
30. Boyd, Carter, Elliott, Lawrence
31. Powell, Wolfe, Menifee, Morgan, Bath, Rowan, Fleming
32. Greenup, Lewis, Mason
33. Jefferson
34. Louisville School District.

Section 2. A new section of Chapter 160 of the Kentucky Revised Statutes is created to read as follows:

An independent school district may continue to exist in any county containing a city of the first class if such district had an average daily attendance of at least twenty thousand pupils during the school year of 1968-69.

Section 3. Section 160.042 of the Kentucky Revised Statutes is amended to read as follows:

(1) Upon a merger under the provisions of KRS [160.040 and] 160.041 of an independent school district in a city of the first class with a county school district in counties containing a city of the first class, the members of the county board of education of the merged county school district, shall be elected from the county school district at large.

(2) Each member of the respective boards of education at the time of the merger of the districts, may continue to hold office until the expiration of his or her term of office, but any vacancy occurring among such members for any reason shall not be filled.

Section 4. Section 160.160 of the Kentucky Revised Statutes is amended to read as follows:

(1) Each school district shall be under the management and control of a board of education [consisting of five members], to be known as the "Board of Education of _____, Kentucky." *Each county of each district shall have one board member except that a county with an average daily attendance in 1968-1969 in excess of 4,000 shall have additional board members as follows:*

4,001 average daily attendance, one additional member;
6,001 average daily attendance, two additional members;
8,001 average daily attendance, three additional members;
10,001 average daily attendance, four additional members;
12,001 average daily attendance, five additional members.

In any district in which this system results in an even number of members on the board, one additional board member shall be selected from the district at large. Each board of education shall be a body politic and corporate with perpetual succession. It may sue and be sued; make contracts; purchase, receive, hold and sell property; issue its bonds to build and construct improvements; and do all things necessary to accomplish the purposes for which it is created.

(2) The board in a school district containing one county or in an independent school district shall be composed of five members.

(3) If the method set forth in subsection (1) of this section results in any district having less than five board members, that number of board members shall be chosen from the district at large to bring the number of board members up to five.

Section 5. A new section of Chapter 160 of the Kentucky Revised Statutes is created to read as follows:

A special election shall be held on March 7, 1971, to elect the members of boards of education. These members shall serve until December 31, 1974. Every four years, beginning in 1974, at the regular November election, members of boards of education shall be elected to hold office, beginning on January 1, following their election.

Section 6. Section 160.460 of the Kentucky Revised Statutes is amended to read as follows:

(1) All school taxes shall be levied by the *board of education of the school district* [fiscal court of each county except in independent school districts embraced by cities of the first four classes. In such districts the tax shall be levied by the governing body of the city]. The tax levying authority shall levy such ad valorem tax and such poll tax as specified by the district board of education within the limits prescribed in KRS 160.475, which will obtain for the school district the amount of money needed as shown in such district's general school budget submitted under the provisions of KRS 160.470.

(2) The tax levying authority shall make an annual school levy not later than July 1. The school levy shall not be made until the general school budget has been received by the tax levying authority. The failure of the authority to make the levy by the date prescribed shall not invalidate any levy made thereafter.

(3) All school taxes shall be levied on all property subject to local taxation in the jurisdiction of the tax levying authority. If the school levy is to be made upon the city assessment as authorized in subsection (1), the clerk of such city shall furnish to the school district or districts which the city embraces, the assessed valuation of property subject to local taxation in the school district, as determined by its tax assessor. If the school levy is to be made upon the county assessment the county clerk shall furnish to the proper school district or districts the assessed valuation of property subject to local taxation in such district or districts, as certified by the Kentucky Tax Commission.

Section 7. Section 160.500 of the Kentucky Revised Statutes is amended to read as follows:

(1) School taxes shall be collected by the *sheriff of each county in school districts containing more than one county and by the tax levying authority as set forth in KRS 160.460 in counties containing more than one district* [regular tax collectors for the tax levying authorities that make the school levies for the various school districts], at the same time and in the same manner as other local taxes are collected, except as provided in this section and in KRS 160.510. The bond of the *sheriff or the tax*

levying authority [regular tax collector] shall be made to cover his *or its* duties as the tax collector [of the school district or districts for which he collects taxes]. The tax collector shall be entitled to a fee at the rate of four percent for the collection of school taxes, which fee may be charged only for collecting or receiving school taxes or school funds received from the local school levy. No allowance shall be made for the collection of school taxes to any collecting officer who continues to collect taxes after his term that would not be allowed him had he collected the taxes during his term.

[(2) An independent school district may select a special tax collector to collect its school taxes, and in the event such independent school district does so select a special tax collector, a majority of the members of the independent school district board of education shall fix a fee for such special tax collector at a rate of not less than one percent nor more than four percent of the school taxes or school funds collected from the local school levy in such independent school district. The special tax collector shall be required to execute bond in the same manner as provided in KRS 160.560 for the execution of a treasurer's bond, and the penal sum of the bond shall not be less than the aggregate of the tax bills that come into the hands of the special tax collector.]

(2) [(3)] The clerk shall include all school taxes on the regular tax bills furnished the tax collector [except in case an independent district has selected a special tax collector, in which case the school taxes shall be listed by the clerk on a separate bill. The clerk shall be allowed a fee not to exceed three cents for each separate school tax bill, to be paid by the independent district board of education].

Section 8. Section 160.510 of the Kentucky Revised Statutes is amended to read as follows:

The tax collector shall, on or before the tenth day of each month, pay to the *treasurer of the board of education who shall then pay to the* depository of the district board of education the amount of school tax collected up to and including the last day of the preceding month. The amount so paid together with the classes of property from which it was received shall be reported in writing to the treasurer of the board. The report shall be ac-

companied by a duplicate of the receipt for the money given to the tax collector by the depository. The tax collector shall make final settlement with the district board of education at the same time he makes final settlement with the local taxing authority to which he is responsible. Blanks for such purposes shall be furnished by the State Board of Education.

Section 9. A new section of Chapter 160 of the Kentucky Revised Statutes is created to read as follows:

The obligations and debts of any school district which is merged by the provisions of this Act shall become the responsibility of the new district.

Section 10. Section 160.190 of the Kentucky Revised Statutes is amended to read as follows:

Any vacancy in any board of education shall be filled for the unexpired term by the other members of the board within ninety days after the vacancy occurs. If the vacancy is not filled by the other members of the board within ninety days, it shall be filled by the State Board of Education within thirty days after information has been filed by any citizen of the district that the vacancy has existed for more than ninety days. The member so chosen shall hold office for the unexpired term and until his successor is elected and has qualified. *The member chosen to fill the vacancy must be from the county from which the member who vacated his office was chosen, unless the member who vacated the office was chosen from the district at large, in which case the member who fills the vacancy must be chosen from the district at large.*

Section 11. A new section of Chapter 160 of the Kentucky Revised Statutes is created to read as follows:

All members of boards of education shall receive fifty dollars per month.

Section 12. Section 160.360 of the Kentucky Revised Statutes is amended to read as follows:

Each board of education may, on the nomination of the superintendent of schools, appoint *one* [as many] assistant superintendent[s as it deems necessary], whose compensation shall be fixed by the board.

Section 13. Section 159.080 of the Kentucky Revised Statutes is amended to read as follows:

(1) Each board of education shall, upon the nomination and recommendation of the superintendent, appoint a director of pupil personnel [and such assistants as are deemed necessary]. *The salary* [Salaries] of *the* director[s] [and assistants] shall be fixed by the board of education.

(2) Directors of pupil personnel [and assistants] shall have the general qualifications of teachers and, in addition, shall hold a valid certificate issued in accordance with the rules and regulations of the State Board of Education. Certificates valid on January 1, 1956, for attendance officer shall hereafter be valid for the positions of director of pupil personnel. Such certificates shall be reissued or renewed in accordance with the terms of the State Board regulations applying at the date of issue.

Section 14. A new section of Chapter 160 of the Kentucky Revised Statutes is created to read as follows:

(1) Boards of education *shall* [of independent districts embracing a city of the first or second class may] appoint a business director. The business director *shall* [may, at the discretion of the board,] be directly responsible to the board of education [or he may be recommended by the superintendent of schools and serve as an assistant superintendent of schools in charge of business affairs, responsible directly to the superintendent of schools. If the business director is made assistant superintendent of schools in charge of business affairs he shall perform all duties set out in this section only with the approval and under the direction of the superintendent of schools]. He may be appointed for a term of one, two, three or four years, the term to begin on July 1 following his appointment. In the case of a vacancy in the office for an unexpired term, the board of education shall make the appointment so that the term will end on June 30. He may be removed for cause by a vote of three members of the board. His qualifications *shall be determined by the State Board of Education* and *his* salary shall be determined by the *local* board. He shall qualify by taking the oath prescribed by law [unless he is designated as an assistant to the superintendent of schools]. He may be required to give such bond as

the board deems necessary. If the bond is executed by a surety company, the board shall pay the premium.

(2) The business director shall execute for the board, in its name, its contracts and obligations and shall see that all contracts made by or with the board are fully and faithfully performed. He shall oversee the construction of buildings in process of erection and the repairs of buildings owned or controlled by the board. He shall advertise for bids and shall purchase all supplies and equipment authorized by the board, and shall manage the business affairs of the board. He shall devote his entire time to the duties of his office. He shall make the reports required by the rules, regulations and bylaws of the board and such special reports as the board may require of him, and he shall furnish the superintendent of schools such information as the superintendent may need in making reports to the State Board of Education or the Superintendent of Public Instruction.

(3) The business director shall appoint and may remove, subject to the approval of the board of education, engineers, janitors and such other custodial employes as may be necessary for the proper management of the school properties. The board shall fix the salary of such employes. The employes shall be under the direction of the business manager, and he shall be responsible for their work. The board of education may prescribe such requirements as it deems necessary for the positions of engineers, janitors and other custodial employes consistent with the general school laws and with the rules and regulations of the State Board of Education.

Section 15. A new section of Chapter 160 of the Kentucky Revised Statutes is created to read as follows:

The board of education of each district shall appoint one superintendent as provided in KRS 160.350, one assistant superintendent in accordance with the provisions of KRS 160.360, one director of pupil personnel in accordance with the provisions of 159.080, one business director in accordance with Section 14 of this Act, and such other administrative officers as prescribed by the State Board of Education.

Section 16. Section 160.440 of the Kentucky Revised Statutes is amended to read as follows:

Each board of education shall appoint a secretary for a term of one, two, three or four years. The secretary shall not be a member of the board of education. *No* [The] board of education of any district may appoint its superintendent as secretary, *nor may it appoint any of its administrative officers as secretary* [and the board of education of an independent school district embracing a city of the first or second class may appoint its business manager or assistant superintendent of schools in charge of business affairs as secretary]. The board may fix a reasonable salary for the secretary. The secretary shall keep the records of the board and perform other duties imposed upon him by the board. All orders of the board must be signed by the secretary and countersigned by the chairman of the board. The secretary shall be custodian of all securities, documents, title papers and other papers of the board under such conditions as the board may direct. The secretary, when other than the superintendent, shall make all records of the board available to the superintendent at any time and shall furnish the superintendent of schools such information as is revealed by his records at any time upon the request of the superintendent.

Section 17. A new section of Chapter 160 of the Kentucky Revised Statutes is created to read as follows:

The following sections of the Kentucky Revised Statutes are hereby repealed: 160.010, 160.020, 160.030, 160.040, 160.044, 160.200, 160.210, 160.260(1), and 160.280.

Section 18. A new section of Chapter 160 of the Kentucky Revised Statutes is created to read as follows:

The provisions of this Act shall take effect on January 1, 1971.

HB 707, AN ACT relating to schools.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Section 160.040 of the Kentucky Revised Statutes is amended to read as follows:

Boards of education of any two or more contiguous school districts may by concurrent action merge their districts into one.

Beginning with the school year 1970-71, any independent school district which has an average daily attendance of less than fifteen hundred pupils shall merge with the county school district within two years from the end of the school year in which its average daily attendance dropped below fifteen hundred pupils. In case of a merger the members of the boards of education of the merged districts may serve out the terms for which they were elected. The resulting district shall take over all the assets and legal liabilities of the districts joining in the merger. Tax levies authorized for the payment of interest and the retirement of bonds or to create sinking funds for such purposes shall continue to be levied and collected over the same area by or for the new board in accordance with the laws under which the levies were originally made until all bonded obligations of the old district have been retired.

Section 2. Section 158.110 of the Kentucky Revised Statutes is amended to read as follows:

Boards of education shall furnish transportation from their general funds or otherwise for pupils of elementary grade who do not reside within reasonable walking distance of the school provided for them, and any board of education may provide transportation from its general funds or otherwise for any pupil of any grade who does not live within a reasonable walking distance from the school provided for him. *The board of education of any school districts may merge their transportation systems on the approval of the Department of Education.* The boards of education shall adopt such rules and regulations as will insure the comfort, health and safety of the children who are transported, consistent with the rules and regulations of the State Board of Education dealing with the transportation of pupils.

SB 168, AN ACT relating to the Teachers' Retirement System of the State of Kentucky.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Section 161.260 of the Kentucky Revised Statutes is amended to read as follows:

An election shall be held on or before June 1 of each year

to elect one member of the board of trustees. The member to be elected each year shall depend upon the respective terms of the members elected under 1938, 1st ex.s., c. 1, paragraph 7, and 1940, c. 192, paragraph 7a. Each member shall assume office on July 1 following his election and shall serve for a term of four years. The elections shall be conducted by ballot under the supervision of the Superintendent of Public Instruction. Each teacher who is a contributing *or retired* member of the retirement system shall have the right to vote. Nomination for membership on the board of trustees shall be made by a nominating committee consisting of one delegate from the membership of each of the districts of the Kentucky Education Association. No person may be a member of the nominating committee who is not a member of the system. The President of the Kentucky Education Association shall preside over the meeting of the nominating committee and the secretary of the teachers' retirement system shall act as secretary to the committee. Two persons shall be nominated by the nominating committee. All expenses of the election shall be paid by the board of trustees out of its general expense fund.

Section 2. The provisions of this Act shall become effective July 1, 1970.

SB 194, AN ACT relating to the responsibility of teachers and teacher's aides for pupils' conduct.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Section 161.180 of the Kentucky Revised Statutes is amended to read as follows:

(1) Each teacher in the public schools shall hold pupils to a strict account for their conduct in school, on the way to and from school, on the playgrounds, *in the lunchrooms and cafeterias,* and during intermission or recess.

(2) The various Boards of Education of the Commonwealth of Kentucky, and the principals of the public schools, may use teachers' aides in supervisory capacities, such as playground supervision, hallway supervision, lunchroom and cafeteria supervision, and other like duties, including, but not limited to, recrea-

tional activities and athletic events, relating to the supervision and control of the conduct of the pupils; and while so engaged, such teacher's aides shall have the same authority and responsibility as is granted to and imposed by law upon teachers in the performance of the same or similar duties.

SB 215, AN ACT relating to differentiated salaries for teachers during the 1970-72 biennium.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Section 157.420 of the Kentucky Revised Statutes is amended to read as follows:

Public school foundation program funds made available to the credit of each district during any year, together with the funds required from local tax effort, shall be received, held and expended by the district board, subject to the provisions of law and regulations of the State Board of Education. The following restrictions shall govern the expenditure of funds from the public school foundation program fund.

(1) The teachers' salaries allotment for each district from the public school foundation program fund and from local sources shall be used only for teachers holding properly authorized certificates. The average salary paid any rank of teachers shall be at least equivalent to the public school foundation program fund allotment for that rank as established in subsection (2) of KRS 157.390, and no teacher shall be paid less than ninety-five percent of the public school foundation program fund allotment for that rank provided, however, that no teacher in Rank III shall be paid less than *$5,000* [$4,500] for full-time service during the regular school year.

(2) *(a)* The State Board of Education shall not approve any working budget or salary schedule for local boards of education for any school year in which the total amount budgeted for teacher's salaries is not equal to an amount required to maintain the district's salary schedule of the preceding year plus the additional amount for teachers' salaries and guarantee received by the district.

(b) The State Board of Education with the recommenda-

tion of the Superintendent of Public Instruction may designate not more than twenty (20) public schools to participate in experimentation under this paragraph. In such schools, any funds appropriated for classroom teachers' salaries through the Foundation Program for the biennium 1970-72 may, at the option of the local board of education, be paid to teachers on the basis of differentiated staffing and differentiated salaries based on training, experience, school duties beyond the regular teaching day, responsibility on a staff team, responsibility for pre-professionals (student teachers and interns), responsibility for para-professionals and aides, responsibility for in-service programs within and beyond the regular school day and school term, research and other factors determined, by the local board of education and approved by the State Board of Education. The criteria the local board proposes to use for differentiated salaries must be submitted for approval by the State Board of Education at the time application to participate in the program is made. However, no teacher shall receive less pay by the application of such factors than he or she would have received under Section 157.390 of the Kentucky Revised Statutes as it existed in 1968-70.

(c) All laws in conflict with paragraph 2(b) of this section shall not be applicable to this section of the law during the 1970-72 biennium.

(3) The capital outlay allotment for each district from the public school foundation program fund and from local sources shall be kept in a separate fund and may be used by the district only for capital outlay projects approved by the Superintendent of Public Instruction in accordance with requirements of law, and based on a survey made in accordance with rules and regulations prescribed by the State Board of Education. These funds shall be used for the following capital outlay purposes:

(a) For direct payment of construction costs;

(b) For debt service on voted and funding bonds;

(c) For payment or lease-rental agreements under which the board eventually will acquire ownership of a school plant;

(d) For the retirement of any deficit resulting from overexpenditure for capital construction, if such deficit resulted from an emergency declared by the State Board of Education under KRS 160.550;

(e) As a reserve fund for the above named purposes, to be carried forward in ensuing budgets, provided, however, if any district has a special levy for capital outlay or debt service that is equal to the capital outlay allotment or a proportionate fraction thereof, and spends the proceeds of that levy for the above named purposes, the Superintendent of Public Instruction, under regulations of the State Board of Education, may authorize the district to use all or a proportionate fraction of its capital outlay allotment for current expenses.

(4) If a survey shows that a school district has no capital outlay needs as shown in paragraphs (a), (b), (c) and (d) above, upon approval of the Superintendent of Public Instruction, these funds may be used for school plant maintenance, repair, insurance on buildings, and replacement of equipment.

SB 216, AN ACT relating to Textbooks and Materials for Experimental Purposes.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Section 156.447 of the Kentucky Revised Statutes is amended to read as follows:

(1) The State Board of Education, upon the recommendation of the Superintendent of Public Instruction, may authorize school districts for instructional experimentation to select and use textbooks *and materials* other than those selected and listed by the State Textbook Commission and adopted by adoption units. *For the purpose of purchasing such experimental textbooks and materials the Superintendent of Public Instruction shall make available to all schools an amount of money equal to that which would have been provided to the districts had they adopted a text selected and listed by the State Textbook Commission. However, in no case shall the amount of funds thus made available exceed one-tenth of the total funds for textbooks and materials made available to the district by the Superintendent of Public Instruction.*

(2) Local school districts may purchase supplementary textbooks and materials in accordance with regulations adopted by the State Board of Education upon the recommendation

of the State Superintendent of Public Instruction. [Before subjects for experimentation are offered and taught to the pupils in the state public schools, such subjects shall have been approved by the State Board of Education, upon the recommendation of the Superintendent of Public Instruction. The selected textbooks by the school districts shall be approved by the State Textbook Commission as regards to size, paper, binding, print, illustration, subject matter, and the retail, lowest wholesale, and exchange prices before the books are used by the public schools. The purchase, distribution, and use of such books shall be by the same procedures as that for other textbooks for said subjects and grades.]

SB 228, AN ACT relating to the Minimum Foundation Program and the employment of para-professionals and teacher aides.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Section 157.390 of the Kentucky Revised Statutes is amended to read as follows:

(1) (a) The Superintendent of Public Instruction, under regulations of the State Board of Education, shall classify teachers in rank as follows:

Rank I. Those holding regular certificates and who have a master's degree and who have earned thirty semester hours of additional approved graduate work, and those teachers who, as of September 1, 1962, were included in Rank I, having earned twenty-four semester hours of additional approved graduate work.

Rank II. Those holding regular certificates and who have a master's degree or its equivalent.

Rank III. Those holding regular certificates and who have an approved four-year college degree or the equivalent.

Rank IV. Those holding certificates and who have ninety-six to one hundred and twenty-eight semester hours of approved college training or the equivalent; provided, however, that persons holding emergency certificates shall not be classified higher than

this rank for calculation of the amount to be included in the foundation program.

Rank V. Those holding certificates and who have sixty-four to ninety-five semester hours of approved college training or the equivalent.

Rank VI. Those holding certificates and who have thirty-two to sixty-three semester hours of approved college training or the equivalent; provided, however, that effective July 1, 1965, no teacher in Rank VI shall be included in calculating the amount to be included in the foundation program.

Rank VII. Those holding certificates and who have fewer than thirty-two semester hours of approved college training or the equivalent; provided, however, that effective July 1, 1964, no teacher in Rank VII shall be included in calculating the amount to be included in the foundation program.

(b) In determining ranks, the Superintendent of Public Instruction, under regulations of the State Board of Education, shall classify teachers who hold valid certificates in the respective ranks according to approved college semester hours of credit. The Superintendent of Public Instruction, in defining preparation for certain types of vocational teachers as equivalent to college training, shall give consideration to apprenticeship training and industrial experience.

(2) *(a)* The amount to be included in *each* [the 1968-69] school year in the foundation program of a district for teachers' salaries shall be determined by multiplying the number of teachers in each rank, not to exceed the number of classroom units allowed, by the amount set forth in the *biennial budget* [following] schedule for each rank. [:]

	Rank				
[Experience	I	II	III	IV	V
0-3 Years	$5950	$5550	$5150	$2900	$2600
4-9 Years	6550	6150	5750	2900	2600
10 Years & Over	6900	6500	6100	2900	2600

Beginning with the school year 1969-70, the amount to be included in the foundation program of a district for teachers' salaries shall be determined by multiplying the number of teach-

ers in each rank, not to exceed the number of classroom units allowed, by the amount set forth in the following allotment schedule for each rank:

	Rank				
Experience	I	II	III	IV	V
0-3 Years	$6125	$5675	$5225	$2900	$2600
4-9 Years	7025	6575	6125	2900	2600
10 Years & Over	7550	7100	6650	2900	2600]

Provided, the amount to be included for vocational units, supervisory units, and units for administrators, directors of pupil personnel and special instructional services shall be increased proportionately if the personnel for such units are employed for longer than the regular school term and such employment is approved by the Superintendent of Public Instruction under regulations of the State Board of Education. Where the actual number of teachers employed by the district varies from the number allowed under the provisions of KRS 157.310 to 157.440, the number to be included in each rank shall be in the same ratio that the number of teachers actually in each rank is to the total number of teachers employed.

(b) For the school years 1970-72 the State Board of Education with the recommendation of the Superintendent of Public Instruction, may designate not more than ten (10) districts as Experimental Districts. In experimental districts, foundation program fund calculations shall include, with respect to one or more schools in the district, designated as above, an amount for para-professionals and teacher aides not holding certificates. This amount may be equal to forty (40) per cent of the amount included for a teacher in Rank III with no experience, multiplied by the number of such para-professionals and teacher aides employed in the designated school or schools.

(c) Such amounts may be included only for those who are not in sole and principal charge of a class. No district may receive foundation program funds for such number of para-professionals and teacher aides referred to in paragraph (2) (b) as exceeds one-half (½) the number of certificated teachers in the designated school or schools.

(d) In the calculation of classroom units for the purpose of allocation of teachers' salaries only, the State Board of Educa-

tion may use a ratio greater than twenty-seven to one for such calculations regarding the Experimental Districts designated pursuant to KRS 157.390 (2) (b).

(3) The amount to be included in the foundation program for other current expenses shall be determined by multiplying the number of classroom units by *the amounts set forth in the biennial budget* [one thousand one hundred dollars for school year 1968-69 and by one thousand four hundred dollars for school year 1969-70].

(4) The amount to be included in the foundation program for capital outlay shall be determined by multiplying the number of classroom units by *the amounts set forth in the biennial budget* [seven hundred dollars for school year 1968-69 and by one thousand two hundred dollars for school year 1969-70].

(5) The amount to be included in the foundation program of each district for transportation shall be determined by multiplying the aggregate attendance of transported children by the allowable cost per pupil per day for that district determined in accordance with the provisions of KRS 157.370.

(6) The total cost of the foundation program for each district shall be the sum of the allotments in subsections (2), (3), (4) and (5) of this section.

Section 2. Section 157.420 of the Kentucky Revised Statutes is amended to read as follows:

Public school foundation program funds made available to the credit of each district during any year, together with the funds required from local tax effort, shall be received, held and expended by the district board, subject to the provisions of law and regulations of the State Board of Education. The following restrictions shall govern the expenditure of funds from the public school foundation program fund:

(1) The teachers' salaries allotment for each district from the public school foundation program fund and from local sources shall be used only for teachers holding properly authorized certificates. The average salary paid any rank of teachers shall be at least equivalent to the public school foundation program fund allotment for that rank as established in subsection (2) of KRS

157.390, and no teacher shall be paid less than ninety-five per cent of the public school foundation program fund allotment for that rank provided, however, that no teacher in Rank III shall be paid less than *$5000* [$4500] for full-time service during the regular school year. *This paragraph shall not apply to non-certificated personnel in Experimental Districts designated pursuant to KRS 157.390 (2) (b).*

(2) The State Board of Education shall not approve any working budget or salary schedule for local boards of education for any school year in which the total amount budgeted for teachers' salaries is not equal to an amount required to maintain the district's salary schedule of the preceding year plus the additional amount for teachers' salaries and guarantee received by the district.

(3) The capital outlay allotment for each district from the public school foundation program fund and from local sources shall be kept in a separate fund and may be used by the district only for capital outlay projects approved by the Superintendent of Public Instruction in accordance with requirements of law, and based on a survey made in accordance with rules and regulations prescribed by the State Board of Education. These funds shall be used for the following capital outlay purposes:

(a) For direct payment of construction costs;

(b) For debt service on voted and funding bonds;

(c) For payment or lease-rental agreements under which the board eventually will acquire ownership of a school plant;

(d) For the retirement of any deficit resulting from overexpenditure for capital construction, if such deficit resulted from an emergency declared by the State Board of Education under KRS 160.550;

(e) As a reserve fund for the above named purposes, to be carried forward in ensuing budgets; provided, however, if any district has a special levy for capital outlay or debt service that is equal to the capital outlay allotment or a proportionate fraction thereof, and spends the proceeds of that levy for the above named purposes, the Superintendent of Public Instruction under regulations of the State Board of Education, may authorize the district to use all or a proportionate fraction of its capital outlay allotment for current expenses.

(4) If a survey shows that a school district has no capital outlay needs as shown in paragraphs (a), (b), (c), and (d) above, upon approval of the Superintendent of Public Instruction, these funds may be used for school plant maintenance, repair, insurance on buildings, and replacement of equipment.

The Committee on Counties and Special Districts reported **HB 151** with Committee Amendment attached thereto, **HB 650** and **SB 288** with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 151, AN ACT relating to expenses for constables.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. A new section of Chapter 64 of the Kentucky Revised Statutes is created to read as follows:

Constables in counties containing less than 250,000 population shall be allowed expenses incurred in the actual performance of lawful duties of his office. There shall be a limit of $150 per month on such expenses. The payment of the expenses shall be out of the county treasury after approval by the county judge and shall be in addition to any salary or fees paid. The payment of expenses shall not be counted in computing any maximum compensation limitation imposed by law.

The Committee Amendment to **HB 151** is as follows:

Amend printed copy of House Bill 151 on page 1, line 4, by: changing the word "shall" to "may"

HB 650, AN ACT relating to reapportionment of county commissioners' districts.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. A new section of KRS 67.040 to 67.120 is created to read as follows:

(1) Not later than sixty days after the publication of the decennial census, the county judge of each county having three

county commissioners as provided in KRS 67.050 shall, in open court, appoint three competent citizens of the county over twenty-one years of age, and residing in different portions of the county and in different commissioners' districts, as commissioners to reapportion the county into commissioners' districts as nearly equal in territory and population as may be, except in counties having a population of over 250,000, in which counties three districts shall be laid off diverging, as nearly as may be, from the courthouse, and the reapportionment commissioners need not reside in different county commissioners' districts. The reapportionment commissioners, before they proceed to act, shall be sworn to faithfully perform their duties. They shall receive out of the county treasury a reasonable compensation for their services, fixed by the fiscal court.

(2) The commissioners shall within twenty days after their appointment lay off the boundary line of the districts. No boundary of a justice's district shall cross the boundary line of an election precinct. They shall file in the office of the county clerk a written report, showing the boundary of each district and the estimated population in each. At the next regular term of the county court commencing not later than ten days after the filing of the report, any citizen of the county may file exceptions, and the court shall fix a day not later than ten days after the filing of the exceptions for the trial thereof. On the trial the court shall dispose of the exceptions and, by order entered of record, establish the boundaries of the districts.

SB 288, AN ACT relating to magistrate's courts.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. A new section of Chapter 25 of the Kentucky Revised Statutes is created to read as follows:

(1) The fiscal court of counties containing a city of the second or third class may, by order entered of record, permit each magistrate to hold court in the courthouse of the county within which his magisterial district lies.

(2) The fiscal court may, by order duly entered of record, further provide a common office within the courthouse, for the

transaction of official business, for magistrates whose districts lie in that county. No person shall have or maintain an office at or in conjunction with the common office of said magistrates. Said office shall be equipped and kept provided with necessary furniture, clerical and other equipment, record books, stationery and supplies. The expense of equipping and maintaining said office may be paid out of the county treasury.

Section 2. Section 25.030 of the Kentucky Revised Statutes is amended to read as follows:

(1) In an action commenced in a justice court, if the defendant reside in the county in which the summons is issued, it shall be returned for trial in the district of his residence, unless he otherwise consent in writing, signed by him and indorsed on the summons; or, unless the justices in such district be interested or refuse to act, in which case it shall be returned in an adjoining district. If it be issued by the judge of the quarterly court, it shall be returned before him. *Provided, however, that when a magistrate maintains a common office in the courthouse the summons may be returned for trial at said office.*

(2) If there be two or more defendants residing in the county, but in different districts, the summons shall be returnable in either district *or in the courthouse of said county if the magistrates maintain a common office therein.*

(3) If a defendant transiently in a county be served with a summons issuing in said county, it shall be returned in the district in which he is served, unless he otherwise consent in writing signed by him *or in the courthouse of said county if the magistrates maintain a common office therein.*

The Committee on Counties and Special Districts reported **HB 264**, with Committee Amendment attached thereto, with the expression of opinion that the same should pass. Ordered placed in Orders of the Day.

The Committee Amendment to **HB 264** is as follows:

Amend printed copy of House Bill 264 on page 1 by:

Changing the title by adding after the word sheriffs: and jailers.

By adding Section 2.

In counties containing cities of the second and third class the jailer shall receive, for each prisoner kept and dieted, the sum of four dollars per day.

The Committee on Rules reported **HB 509, HB 551, HB 215, HB 157, HR 88, HB 113, HB 142, HB 259, HB 285, HB 489, HB 544, HB 574, HB 603, HB 609, HB 622, HB 624, HB 629, HB 639, HB 654, HB 655, HB 656, HB 666, HB 675, HB 684,** and **HR 90** have been posted for passage in Orders of the Day, March 13, 1970.

Calendar

HB 440, HB 433, HB 398, HB 377, HB 540, HB 252, HB 658, HB 663, HB 664, HB 602, HB 632, HB 634, HB 652, HB 671, HB 673, HB 687, HB 662, HB 230, HB 693, HB 699, HB 727, HB 709, HB 721, HB 711, HB 697, HB 688, HB 219, HB 194, HB 87, HB 526, HB 555, HB 550, HB 596, HB 594, HB 523, HB 511, HB 496, HB 457, HB 445, HB 514, SB 7, SB 23, SB 67, SR 36, SB 193, SB 230, SB 259, SB 261, SB 304, SB 90, SB 169, SB 156, SB 93 and **SB 179** taken from the Calendar and ordered read at length for the second time. Representative McBrayer moved that they be read by title only. Agreed by a majority of members elected. Ordered placed in Orders of the Day.

Motions, Petitions and Communications

Representative Kidd moved that the House concur in the following Senate Amendment to **HB 478:**

Amend printed copy of House Bill 478 on page 26, line 25, by adding the following:

"Section 23. There is hereby appropriated from the General Expenditure Fund the following sums for the following purposes:

(1) For fiscal year 1971-72 to a Kentucky Housing Corporation Trust and Agency Fund, which is hereby created, the sum of $200,000, no part of which shall lapse to the General Expenditure Fund, but shall carry forward;

(2) To the Kentucky Housing Corporation the sum of $75,000 for operating expenses for fiscal year 1970-71, and the sum of $75,000 for operating expenses for fiscal year 1971-72. All unexpended funds appropriated for fiscal year 1970-71 shall not lapse to the General Expenditure Fund, but shall carry forward to fiscal year 1971-72."

and asks the concurrence of this honorable body.

Agreed.

On the roll call the vote was yeas 92—Alexander, Allen, Arnett, Baker, Bartley, Blandford, Bleemel, Blume, Blythe, Archie Brown, Edward G. Brown, Hershel Brown, Bruce, Carroll, Carter, Clarke, Conn, Curlin, James A. Davis, Walter Davis, DeMarcus, Deskins, Donnermeyer, Dorris, Durham, Floyd, Freeman, Graves, John O. Hardin, L. T. Hardin, Head, Hinkle, Holloway, Huff, Hughes, Isler, Keene, Keith, Kenton, Kessinger, Kidd, Kleier, Knuckles, Lewis, Lovins, McBrayer, McBride, McCann, McGill, McKinney, McNamara, Massey, May, Mershon, Miller, Mitchell, Murphy, Nett, Osborne, Parish, Paxton, Peak, Pollitte, Prather, Priddy, Rattliff, Ray, Reed, T. P. Reynolds, W. J. Reynolds, Rickert, Roberts, Ruh, Salyers, Schmidt, Sharpe, Siemens, Simmons, Stuart, Swinford, Tobin, Van Horn, Wells, Wenz, West, Wheeler, Glenn White, John E. White, Wible, Wright, Wyatt, Yocom. Nays 0.

HB 478 as amended was passed and the title agreed to.

Representative Ruh moved that when the House adjourns on March 13, 1970, it do so until 10:00 a.m., March 14, 1970.

On the roll call the vote was yeas 50—Alexander, Allen, Arnett, Blume, Blythe, Hershel Brown, Carroll, Chapman, Conn, James A. Davis, Floyd, Graves, Haney, L. T. Hardin, Hinkle, Holloway, Hughes, Isler, Kenton, Kidd, Kleier, Lewis, Lindsay, Lovins, McBrayer, McBride, McNamara, May, Mershon, Nett, Osborne, Paxton, Peak, Prather, Priddy, Ray, Reed, Russell Reynolds, Rickert, Roberts, Ruh, Salyers, Sharpe, Siemens, Simmons, Tobin, Van Horn, Wenz, Wright, Wyatt, Yocom. Nays 34—Baker, Bartley, Blandford, Bleemel, A. Brown, E. G. Brown, Bruce, Deskins, Donnermeyer, Dorris, Durham, Freeman, Huff, Keith, Kessinger, Knuckles, McCann, McGill, Massey, Miller, Mitchell, Murphy, Parish, Pollitte, Rattliff, T. Reynolds, W. J.

Reynolds, Schmidt, Stuart, Swinford, Wells, G. White, J. White, Wible.

The motion that when the House adjourns on March 13, 1970, it do so until 10:00 a.m., March 14, 1970, was adopted.

Report on Enrolled Bills

The Committee on Enrollment reported **HB 317, HB 387, HB 311, HB 281, HB 491** and **HB 464** had been examined and found correctly enrolled. **HB 317, HB 387, HB 311, HB 281, HB 491** and **HB 464** read at length, compared and signed in open session by the Speaker. Ordered delivered to the Senate.

HB 317, HB 387, HB 311, HB 281, HB 491 and **HB 464** delivered to the Senate, signed by President. Ordered delivered to the Governor.

Orders of the Day

Representative McBride moved that the vote by which **HB 616** as amended was defeated be reconsidered.

On the roll call the vote was yeas 47—Arnett, Blandford, Blume, Blythe, Carroll, Carter, Chapman, Clapp, Clarke, Conn, Curlin, Freeman, Graves, John O. Hardin, Head, Holloway, Isler, Kenton, Kidd, Kleier, Lewis, Lindsay, McBrayer, McBride, McCann, McGill, Mershon, Mitchell, Nett, Parish, Peak, Prather, Priddy, Ray, Reed, Russell Reynolds, T. P. Reynolds, W. J. Reynolds, Rickert, Ruh, Swinford, Wenz, Wheeler, Glenn White, Wible, Wyatt, Yocom. Nays 31—Baker, Bartley, Bleemel, A. Brown, E. G. Brown, H. Brown, Bruce, J. Davis, W. Davis, Deskins, Dorris, Durham, L. Hardin, Hinkle, Huff, Hughes, Keith, Knuckles, Lovins, May, Osborne, Paxton, Rattliff, Roberts, Salyers, Sharpe, Simmons, Van Horn, Wells, West, J. White.

The motion that the vote by which **HB 616** as amended was defeated be reconsidered was adopted.

Representative McBride moved the adoption of the following Amendment No. 2 to **HB 616:**

Amend printed copy of House Bill 616 on page 8, line 2, by:

inserting after the question mark and before the quotation mark the following words: "If revenue from activities fail to pay interest and reduce principal as will be necessary, such interest and reduction shall be paid from the General Expenditure Fund."

Agreed.

On the roll call the vote was yeas 53—Alexander, Allen, Arnett, Blandford, Bleemel, Blume, Blythe, Edward G. Brown, Carroll, Carter, Chapman, Clapp, Clarke, Curlin, Donnermeyer, Dorris, Graves, John O. Hardin, Head, Hinkle, Isler, Keene, Keith, Kenton, Kidd, Kleier, Lewis, Lindsay, McBrayer, McBride, McCann, McGill, McNamara, Mershon, Miller, Mitchell, Nett, Parish, Peak, Priddy, Reed, Russell Reynolds, W. J. Reynolds, Ruh, Siemens, Swinford, Wells, Wenz, Wheeler, Glenn White, Wible, Wyatt, Yocom. Nays 22—Baker, Bartley, H. Brown, W. Davis, Deskins, Durham, Floyd, L. Hardin, Huff, Hughes, King, Knuckles, May, Osborne, Paxton, Rickert, Roberts, Salyers, Sharpe, Stuart, Van Horn, West.

HB 616 as amended was passed and the title agreed to.

Representative McBrayer moved that the vote by which **HB 616** as amended was passed be reconsidered and said motion be postponed indefinitely. Agreed.

Representative McBrayer moved that **SB 211** be taken from the Committee on Agriculture and Natural Resources and referred to the Committee on Labor and Industry. Agreed.

Representative Clarke moved that **HB 630** be recommitted to the Committee on State Government. Agreed.

Representative E. G. Brown moved that consideration of **HB 225, HB 369, HB 474, HB 437, HB 587** and **HB 452** be deferred and that they retain their position in Orders of the Day. Agreed.

HB 357, with Committee Amendment attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative E. G. Brown moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Curlin moved the adoption of the Committee Amendment to **HB 357.** Agreed.

Representative Durham moved that **HB 357** be laid on the table. Agreed.

HB 425, with Committee Amendment attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative E. G. Brown moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Hughes moved the adoption of the Committee Amendment to **HB 425.** Agreed.

On the roll call the vote was yeas 70—Alexander, Allen, Arnett, Blandford, Bleemel, Blume, Edward G. Brown, Hershel Brown, Bruce, Carter, Chapman, Clapp, James A. Davis, Deskins, Donnermeyer, Durham, Floyd, Graves, Haney, John O. Hardin, L. T. Hardin, Head, Hinkle, Holloway, Hughes, Isler, Keene, Keith, Kenton, Kessinger, Kidd, King, Lewis, Lindsay, McBrayer, McBride, McCann, McGill, McNamara, May, Mershon, Miller, Mitchell, Murphy, Osborne, Paxton, Peak, Prather, Priddy, Ray, Reed, T. P. Reynolds, W. J. Reynolds, Roberts, Ruh, Salyers, Schmidt, Sharpe, Siemens, Swinford, Tobin, Van Horn, Wells, Wenz, West, Glenn White, Wible, Wright, Wyatt, Yocom. Nays 15—Baker, Clarke, Conn, DeMarcus, Huff, Kleier, Lovins, McKinney, Nett, Rattliff, R. Reynolds, Rickert, Simmons, Wheeler, J. White.

HB 425 as amended was passed and the title agreed to.

Representative E. G. Brown moved that the vote by which **HB 425** as amended was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 537, with Committee Amendment attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative E. G. Brown moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Kenton moved the adoption of the Committee Amendment to **HB 537.** Agreed.

On the roll call the vote was yeas 81—Alexander, Allen, Arnett, Baker, Blandford, Bleemel, Blythe, Archie Brown, Edward G. Brown, Hershel Brown, Bruce, Chapman, Clapp, Clarke,

Conn, DeMarcus, Deskins, Dorris, Floyd, Graves, Haney, John O. Hardin, L. T. Hardin, Head, Hinkle, Holloway, Huff, Hughes, Isler, Keith, Kenton, Kessinger, Kidd, King, Kleier, Knuckles, Lewis, Lindsay, Lovins, McBrayer, McBride, McCann, McGill, McKinney, McNamara, Massey, May, Mershon, Miller, Mitchell, Nett, Osborne, Paxton, Peak, Prather, Priddy, Rattliff, Ray, Reed, Russell Reynolds, T. P. Reynolds, W. J. Reynolds, Rickert, Roberts, Ruh, Schmidt, Sharpe, Siemens, Simmons, Swinford, Tobin, Van Horn, Wells, Wenz, West, Wheeler, Glenn White, Wible, Wright, Wyatt, Yocom. Nays 1—Parish.

HB 537 as amended was passed and the title agreed to.

Representative E. G. Brown moved that the vote by which **HB 537** as amended was passed be reconsidered and said motion be postponed indefinitely. Agreed.

Representative E. G. Brown moved that consideration of **HB 610, HB 625, HB 669, HB 691** and **HB 145** be deferred and that they retain their position in Orders of the Day. Agreed.

SR 13 taken from Orders of the Day and ordered read at length for the third time. Representative E. G. Brown moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative McBrayer moved the adoption of the following Amendment to **SR 13:**

Amend printed copy of Senate Resolution 13 on page 3, line 12, by adding the following new section:

"Section 5. The Legislative Research Commission shall submit its report under this resolution to the Citizens Commission on Consumer Protection created by House Bill 347 of the 1970 General Assembly. The Citizens Commission on Consumer Protection shall take the report into consideration and shall prepare drafts of proposed consumer protection legislation, including but not limited to the Legislative Research Commission report, for presentation to the 1972 General Assembly."

Agreed.

On the roll call the vote was yeas 80—Alexander, Arnett, Baker, Bartley, Blandford, Bleemel, Blythe, Hershel Brown, Bruce, Chapman, Clapp, Clarke, Conn, James A. Davis, Walter

Davis, DeMarcus, Deskins, Dorris, Durham, Graves, Haney, John O. Hardin, L. T. Hardin, Head, Hinkle, Holloway, Huff, Hughes, Isler, Keith, Kenton, Kessinger, Kidd, King, Kleier, Knuckles, Lewis, Lovins, McBrayer, McBride, McCann, McGill, McKinney, McNamara, Massey, May, Mershon, Mitchell, Nett, Osborne, Parish, Paxton, Peak, Pollitte, Prather, Priddy, Ray, Reed, Russell Reynolds, W. J. Reynolds, Rickert, Roberts, Ruh, Salyers, Schmidt, Sharpe, Simmons, Stuart, Swinford, Tobin, Van Horn, Wells, Wenz, West, Wheeler, Glenn White, John E. White, Wible, Wright, Wyatt. Nays 0.

SR 13 as amended was passed and the title agreed to.

Representative E. G. Brown moved that the vote by which **SR 13** as amended was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HR 66 taken from Orders of the Day. Representative McBrayer moved that it be placed upon its passage. Agreed.

HR 66, A RESOLUTION objecting to any transfer of Ohio River property belonging to Kentucky to the State of Ohio.

WHEREAS, it has been brought to the attention of the members of the House of Representatives of the General Assembly of the Commonwealth of Kentucky that members of the administration of the State Government of the Commonwealth of Kentucky have discussed the transfer of part of the Ohio River, which forms the boundaries between Ohio and Kentucky, to the State of Ohio, and

WHEREAS, the members of the House of Representatives are most concerned over any such proposals because they believe that such a transfer to be detrimental to the efficient control and policing of the river, and that it further lends confusion to the jurisdiction of various governmental bodies and could result in the loss of effective control over water pollution;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

Section 1. That the House of Representatives on behalf of the citizens of the Commonwealth, objects to any proposal to

transfer any portion of the Ohio River, now belonging to Kentucky, to the State of Ohio for the reasons set out above.

Section 2. That the Clerk of the House of Representatives be and is hereby directed to transmit a copy of this resolution to the Honorable Louie B. Nunn, Governor of Kentucky, and to all members of the 1970 Kentucky General Assembly.

HR 66 was adopted.

A roll call was taken to show co-sponsors of **HR 66.** The roll call is as follows:

Representatives Alexander, Allen, Arnett, Bartley, Blandford, Edward G. Brown, Hershel Brown, Bruce, Carter, Chapman, Clarke, Conn, James A. Davis, Walter Davis, DeMarcus, Deskins, Donnermeyer, Dorris, Durham, Floyd, Haney, L. T. Hardin, Head, Hinkle, Holloway, Huff, Hughes, Isler, Keith, Kenton, Kessinger, Kidd, King, Kleier, Knuckles, Lewis, Lindsay, Lovins, McBrayer, McBride, McGill, McKinney, McNamara, Massey, May, Mershon, Miller, Murphy, Nett, Osborne, Parish, Paxton, Peak, Prather, Priddy, Ray, Reed, Russell Reynolds, T. P. Reynolds, W. J. Reynolds, Rickert, Roberts, Ruh, Salyers, Schmidt, Sharpe, Simmons, Stuart, Swinford, Tobin, Van Horn, Wells, Wenz, Wheeler, Wible, Wright, Wyatt.

HJR 59 taken from Orders of the Day and ordered read at length for the third time. Representative McBrayer moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

On the roll call the vote was yeas 86—Alexander, Allen, Arnett, Baker, Bartley, Blandford, Bleemel, Blythe, Archie Brown, Edward G. Brown, Hershel Brown, Bruce, Carroll, Carter, Chapman, Clapp, Clarke, Conn, James A. Davis, Walter Davis, DeMarcus, Deskins, Donnermeyer, Dorris, Durham, Floyd, Freeman, Haney, L. T. Hardin, Head, Hinkle, Holloway, Huff, Isler, Keith, Kenton, Kessinger, Kidd, King, Kleier, Knuckles, Lewis, Lindsay, Lovins, McCann, McGill, McKinney, McNamara, Massey, May, Mitchell, Nett, Osborne, Parish, Paxton, Peak, Pollitte, Prather, Priddy, Rattliff, Ray, Reed, T. P. Reynolds, W. J. Reynolds, Rickert, Roberts, Ruh, Salyers, Schmidt, Sharpe, Siemens, Simmons, Stuart, Swinford, Tobin, Van Horn, Wells, Wenz,

West, Wheeler, Glenn White, John E. White, Wible, Wright, Wyatt, Yocom. Nays 0.

HJR 59 was passed and the title agreed to.

HB 610, with Committee Substitute attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative Prather moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Stuart moved the adoption of the following amendment to the Committee Substitute for **HB 610.**

Amend printed copy of Committee Substitute for House Bill 610 on page 2, line 3, by inserting after line 3 the following new section:

"Section 2. A new section of Chapter 68 of the Kentucky Revised Statutes is created to read as follows:

The license fee authorized under this Act shall not apply to admission charges to race tracks at which races are conducted for stakes, purses or prizes where pari-mutuel machines or similar devices are used."

Representative Wright moved that the Amendment to the Committee Substitute for **HB 610** be laid on the table.

On the roll call the vote was yeas 45—Alexander, Allen, Arnett, Bartley, Blandford, Bleemel, Archie Brown, Hershel Brown, Bruce, Chapman, Deskins, Floyd, Freeman, John O. Hardin, L. T. Hardin, Head, Hinkle, Huff, Keith, Kessinger, King, Kleier, Lovins, McGill, McKinney, McNamara, Massey, May, Osborne, Peak, Pollitte, Priddy, Reed, Russell Reynolds, T. P. Reynolds, Roberts, Ruh, Salyers, Sharpe, Simmons, Van Horn, West, Glenn White, John E. White, Wright. Nays 28—Baker, Blume, Blythe, Clarke, Conn, W. Davis, DeMarcus, Donnermeyer, Dorris, Durham, Holloway, Kenton, Lewis, Lindsay, McBrayer, McCann, Mitchell, Murphy, Nett, Paxton, Prather, Rickert, Schmidt, Siemens, Stuart, Tobin, Wible, Wyatt.

The Amendment to the Committee Substitute for **HB 610** was tabled.

HB 72, with Committee Amendment attached thereto, taken from Orders of the Day and ordered read at length for

the third time. Representative Prather moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Lewis moved the adoption of the Committee Amendment to **HB 72.** Agreed.

On the roll call the vote was yeas 83—Alexander, Arnett, Baker, Bartley, Blandford, Bleemel, Blume, Blythe, Archie Brown, Hershel Brown, Bruce, Carter, Chapman, Clapp, Clarke, Conn, James A. Davis, DeMarcus, Deskins, Donnermeyer, Dorris, Durham, Floyd, Freeman, Haney, L. T. Hardin, Head, Hinkle, Holloway, Huff, Isler, Keene, Keith, Kenton, Kessinger, Kidd, King, Kleier, Knuckles, Lewis, Lindsay, Lovins, McBrayer, McCann, McGill, McKinney, Massey, May, Mershon, Miller, Mitchell, Murphy, Nett, Osborne, Parish, Paxton, Peak, Pollitte, Prather, Priddy, Rattliff, Ray, Reed, T. P. Reynolds, Rickert, Roberts, Ruh, Salyers, Schmidt, Sharpe, Siemens, Simmons, Stuart, Swinford, Tobin, Van Horn, Wenz, Wheeler, Glenn White, John E. White, Wible, Wyatt, Yocom. Nays 0.

HB 72 as amended was passed and the title agreed to.

Representative Prather moved that the vote by which **HB 72** as amended was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 104 taken from Orders of the Day and ordered read at length for the third time. Representative Prather moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

On the roll call the vote was yeas 71—Alexander, Allen, Arnett, Baker, Bartley, Blandford, Bleemel, Blythe, Archie Brown, Hershel Brown, Carter, Chapman, Clapp, Clarke, Walter Davis, Deskins, Donnermeyer, Dorris, Durham, Floyd, L. T. Hardin, Head, Hinkle, Holloway, Huff, Hughes, Isler, Keene, Keith, Kenton, Kessinger, Kidd, King, Kleier, Knuckles, Lewis, Lindsay, Lovins, McBrayer, McCann, McKinney, May, Mitchell, Murphy, Nett, Osborne, Parish, Paxton, Peak, Pollitte, Prather, Priddy, Rattliff, Ray, Reed, Russell Reynolds, T. P. Reynolds, Rickert, Salyers, Simmons, Swinford, Tobin, Van Horn, Wells, Wenz, Glenn White, John E. White, Wible, Wright, Wyatt, Yocom. Nays 0.

HB 104 was passed and the title agreed to.

Representative Prather moved that the vote by which **HB 104** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

Representative Prather moved that consideration of **HB 576** be deferred and that it retain its position in Orders of the Day. Agreed.

HB 583, by way of Committee Substitute, taken from Orders of the Day and ordered read at length for the third time. Representative Prather moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Lindsay moved the adoption of the Committee Substitute for **HB 583.**

Representative King moved that **HB 583** be laid on the table.

On the roll call the vote was yeas 13—Arnett, James A. Davis, Freeman, Hinkle, Hughes, Isler, Kessinger, King, Kleier, Russell Reynolds, Van Horn, West, Wheeler. Nays 57—Alexander, Baker, Blandford, Bleemel, Blume, Blythe, E. G. Brown, H. Brown, Bruce, Carroll, Chapman, Clapp, Clarke, Conn, Donnermeyer, Dorris, Floyd, Head, Holloway, Huff, Keene, Keith, Kenton, Kidd, Knuckles, Lewis, Lindsay, McBrayer, McCann, McKinney, Mershon, Miller, Mitchell, Murphy, Nett, Osborne, Parish, Paxton, Peak, Pollitte, Prather, Rattliff, Reed, W. J. Reynolds, Rickert, Roberts, Ruh, Schmidt, Simmons, Stuart, Swinford, Tobin, Wells, G. White, J. White, Wible, Wyatt.

The motion that **HB 583** be laid on the table was rejected.

The motion to adopt the Committee Substitute for **HB 583** was adopted.

On the roll call the vote was yeas 60—Alexander, Baker, Blandford, Bleemel, Blume, Blythe, Edward G. Brown, Carroll, Carter, Chapman, Clapp, Clarke, Conn, Donnermeyer, Dorris, Floyd, Hinkle, Holloway, Huff, Keene, Keith, Kenton, Kidd, Knuckles, Lewis, Lindsay, McBrayer, McCann, McGill, McKinney, McNamara, Massey, Mershon, Mitchell, Murphy, Nett, Osborne, Paxton, Peak, Pollitte, Prather, Rattliff, Reed, T. P. Reynolds, W. J. Reynolds, Rickert, Roberts, Ruh, Schmidt, Sharpe, Simmons, Stuart, Swinford, Tobin, Wells, Wenz, Glenn

White, John E. White, Wible, Wyatt. Nays 21—Allen, Arnett, J. Davis, W. Davis, DeMarcus, Durham, Hughes, Isler, Kessinger, King, Lovins, Miller, Parish, Priddy, Ray, R. Reynolds, Siemens, Van Horn, West, Wheeler, Yocom.

HB 583, by way of Committee Substitute, was passed and the title agreed to.

Representative McCann moved that the vote by which **HB 583,** by way of Committee Substitute, was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 593 taken from Orders of the Day and ordered read at length for the third time. Representative Prather moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

On the roll call the vote was yeas 85—Alexander, Allen, Arnett, Blandford, Bleemel, Blume, Blythe, Archie Brown, Edward G. Brown, Hershel Brown, Bruce, Carter, Chapman, Clapp, Clarke, James A. Davis, Walter Davis, DeMarcus, Deskins, Donnermeyer, Dorris, Durham, Floyd, L. T. Hardin, Head, Hinkle, Holloway, Huff, Hughes, Isler, Keene, Keith, Kenton, Kessinger, Kidd, King, Kleier, Knuckles, Lewis, Lindsay, Lovins, McBrayer, McCann, McGill, McKinney, McNamara, Massey, May, Mershon, Miller, Mitchell, Murphy, Osborne, Parish, Paxton, Peak, Pollitte, Prather, Priddy, Rattliff, Reed, Russell Reynolds, T. P. Reynolds, W. J. Reynolds, Rickert, Ruh, Salyers, Schmidt, Sharpe, Siemens, Simmons, Stuart, Swinford, Tobin, Van Horn, Wells, Wenz, West, Wheeler, Glenn White, John E. White, Wible, Wright, Wyatt, Yocom. Nays 0.

HB 593 was passed and the title agreed to.

Representative DeMarcus moved that the vote by which **HB 593** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 642 taken from Orders of the Day and ordered read at length for the third time. Representative Prather moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Van Horn moved that **HB 642** be laid on the table.

On the roll call the vote was yeas 23—Allen, Arnett, Hershel Brown, Bruce, Deskins, Durham, Floyd, Freeman, Hinkle, Hughes, Isler, Keith, Kessinger, King, Knuckles, Lovins, McKinney, McNamara, Roberts, Salyers, Van Horn, West, Wright. Nays 48—Baker, Bartley, Blandford, Bleemel, Blume, A. Brown, Carroll, Carter, Chapman, Clapp, Clarke, J. Davis, W. Davis, Donnermeyer, Dorris, L. Hardin, Huff, Kenton, Kleier, Lewis, McCann, McGill, Mershon, Miller, Mitchell, Nett, Osborne, Parish, Paxton, Peak, Pollitte, Prather, Rattliff, Reed, R. Reynolds, T. Reynolds, W. J. Reynolds, Rickert, Ruh, Schmidt, Sharpe, Stuart, Swinford, Wenz, G. White, Wible, Wyatt, Yocom.

The motion that **HB 642** be laid on the table was rejected.

On the roll call the vote was yeas 46—Alexander, Baker, Blandford, Bleemel, Blume, Blythe, Archie Brown, Chapman, Clapp, Clarke, Conn, Donnermeyer, Dorris, L. T. Hardin, Keene, Kenton, Kleier, Lewis, Lindsay, McCann, McGill, Mershon, Miller, Mitchell, Nett, Osborne, Paxton, Peak, Pollitte, Priddy, Rattliff, Reed, Russell Reynolds, W. J. Reynolds, Rickert, Ruh, Schmidt, Sharpe, Stuart, Swinford, Tobin, Wenz, Glenn White, Wible, Wyatt, Yocom. Nays 27—Allen, H. Brown, Bruce, Carter, W. Davis, DeMarcus, Deskins, Floyd, Freeman, Hinkle, Huff, Hughes, Isler, Keith, Kessinger, King, Knuckles, Lovins, Parish, Prather, Ray, T. Reynolds, Roberts, Salyers, Van Horn, Wells, West.

HB 642 was passed and the title agreed to.

Representative Kenton moved that the vote by which **HB 642** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 676 taken from Orders of the Day and ordered read at length for the third time. Representative Prather moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

On the roll call the vote was yeas 75—Alexander, Allen, Arnett, Baker, Bartley, Blandford, Bleemel, Blythe, Archie Brown, Edward G. Brown, Hershel Brown, Bruce, Carter, Chapman, Clapp, Clarke, Conn, James A. Davis, Walter Davis, DeMarcus, Deskins, Donnermeyer, Dorris, Durham, Floyd, Haney,

L. T. Hardin, Head, Hinkle, Holloway, Huff, Hughes, Isler, Keene, Keith, Kenton, Kessinger, King, Knuckles, Lewis, Lindsay, McBrayer, McCann, McKinney, McNamara, Massey, May, Mershon, Mitchell, Osborne, Paxton, Peak, Prather, Rattliff, Reed, T. P. Reynolds, W. J. Reynolds, Rickert, Roberts, Ruh, Schmidt, Sharpe, Simmons, Stuart, Swinford, Tobin, Van Horn, Wells, Wenz, West, Wheeler, Glenn White, John E. White, Wible, Wright. Nays 3—Kleier, Parish, Yocom.

HB 676 was passed and the title agreed to.

Representative Prather moved that the vote by which **HB 676** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 678 taken from Orders of the Day and ordered read at length for the third time. Representative Prather moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

On the roll call the vote was yeas 75—Alexander, Allen, Arnett, Baker, Bartley, Blandford, Bleemel, Blythe, Archie Brown, Hershel Brown, Bruce, Carter, Chapman, Clapp, Clarke, Conn, James A. Davis, Walter Davis, DeMarcus, Deskins, Donnermeyer, Dorris, Durham, Floyd, Haney, L. T. Hardin, Head, Hinkle, Holloway, Huff, Isler, Keene, Keith, Kenton, Kessinger, Kidd, King, Knuckles, Lewis, Lindsay, McKinney, McNamara, May, Mershon, Mitchell, Osborne, Parish, Paxton, Peak, Pollitte, Prather, Rattliff, Reed, Russell Reynolds, T. P. Reynolds, W. J. Reynolds, Rickert, Ruh, Salyers, Schmidt, Sharpe, Simmons, Stuart, Swinford, Tobin, Van Horn, Wells, Wenz, West, Wheeler, Glenn White, John E. White, Wible, Wright, Wyatt. Nays 0.

HB 678 was passed and the title agreed to.

Representative Prather moved that the vote by which **HB 678** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HJR 86 taken from Orders of the Day and ordered read at length for the third time. Representative Prather moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

On the roll call the vote was yeas 76—Allen, Arnett, Bartley, Blandford, Bleemel, Blume, Archie Brown, Edward G. Brown, Hershel Brown, Bruce, Carter, Chapman, Clapp, Clarke, Conn, James A. Davis, Walter Davis, Deskins, Dorris, Durham, Floyd, Haney, John O. Hardin, L. T. Hardin, Head, Hinkle, Holloway, Huff, Hughes, Isler, Keene, Keith, Kessinger, Kidd, King, Kleier, Knuckles, Lewis, Lindsay, McBrayer, McCann, McKinney, McNamara, Massey, May, Mershon, Mitchell, Murphy, Nett, Osborne, Parish, Paxton, Peak, Pollitte, Prather, Rattliff, Ray, Reed, Rickert, Roberts, Ruh, Salyers, Sharpe, Simmons, Swinford, Tobin, Van Horn, Wells, Wenz, West, Wheeler, Glenn White, Wible, Wright, Yocom. Nays 0.

HJR 86 was passed and the title agreed to.

Representative Prather moved that the vote by which **HJR 86** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HR 94 taken from Orders of the Day. Representative Prather moved that it be placed upon its passage. Agreed.

Representative Prather moved the adoption of **HR 94.**

HR 94, A RESOLUTION in memory of Thomas L. Kirkpatrick.

WHEREAS, Thomas L. Kirkpatrick of Central City, Kentucky, departed this life on February 22, 1970, at the age of 72 years; and

WHEREAS, Thomas L. Kirkpatrick, during all his adult life, was a respected and devoted leader in church, civic, and political matters; and

WHEREAS, "Mr. Tom," as he was affectionately known by his friends, will be sorely missed by all who knew him;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

1. That when this House adjourn on Monday, March 16, 1970, it does so in honor and in memory of Thomas L. Kirkpatrick.

2. That the Clerk shall prepare attested copies of this Resolution for his widow, Mrs. Sue Clark Kirkpatrick, his daughter, Mrs. Sue Tom Andrews, and his sons, I. B. Kirkpatrick and W. R. Kirkpatrick.

On the roll call the vote was yeas 76—Alexander, Allen, Arnett, Baker, Bartley, Bleemel, Blume, Archie Brown, Edward G. Brown, Hershel Brown, Bruce, Carroll, Chapman, Clapp, Clarke, Conn, Walter Davis, Deskins, Dorris, Durham, Floyd, Haney, John O. Hardin, L. T. Hardin, Head, Hinkle, Holloway, Huff, Hughes, Isler, Keene, Keith, Kenton, Kessinger, Kidd, King, Kleier, Knuckles, Lewis, Lovins, McBrayer, McCann, McKinney, McNamara, Massey, May, Mershon, Murphy, Nett, Osborne, Parish, Paxton, Peak, Prather, Priddy, Rattliff, Ray, Reed, Rickert, Roberts, Ruh, Salyers, Schmidt, Sharpe, Siemens, Simmons, Swinford, Tobin, Van Horn, Wells, West, Wheeler, Glenn White, Wible, Wright, Yocom. Nays 0.

HR 94 was passed and the title agreed to.

Representative Paxton moved that the vote by which **HR 94** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

Representative Hardin asked that he be recorded as voting "yea" on **HB 676** and **HB 678.**

HR 96 taken from Orders of the Day. Representative Prather moved that it be placed upon its passage. Agreed.

Representative Blume moved the adoption of **HR 96.** Agreed.

HR 96, A RESOLUTION recognizing the achievements of the University of Louisville basketball team.

WHEREAS, the University of Louisville basketball team has been invited to the National Invitational Tournament, bringing additional pride to the Commonwealth in its fine basketball teams; and

WHEREAS, the University of Louisville basketball team, having been selected for this honor, reflects the Commonwealth and its system of public higher education in a favorable light to the entire nation;

NOW THEREFORE,

Be it resolved by the House of Representatives of the Commonwealth of Kentucky:

The House of Representatives recognizes the achievements of the University of Louisville basketball team, congratulates them on being selected to represent Kentucky in the National Invitational Tournament and wishes them well in this endeavor.

HR 97 taken from Orders of the Day. Representative Prather moved that it be placed upon its passage. Agreed.

Representative Durham moved the adoption of **HR 97.** Agreed.

HR 97, A RESOLUTION requesting the Department of Economic Security to enforce laws relating to homes for the aged or infirm.

WHEREAS, the general welfare of our aged, chronically ill, or infirm citizens is of the utmost concern to the citizens of the Commonwealth of Kentucky; and

WHEREAS, the general welfare of said citizens can be best provided for by promoting safe and adequate accommodations, care and treatment; and

WHEREAS, all licensed homes for the aged or infirm must comply with standards established by the Department of Economic Security pertaining to fire protection and safety, plumbing and sanitation, lighting, heating and ventilation, living arrangements, diet and health facilities and other factors pursuant to sections 216.610 to 216.700 of the Kentucky Revised Statutes; and

WHEREAS, the general health and welfare of said citizens can best be promoted by strict enforcement of Kentucky's statutes and regulations relating to licensing of homes for the aged or infirm.

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

Section 1. That the Department of Economic Security of

the Commonwealth of Kentucky is requested to enforce the laws relating to homes for the aged or infirm as found in sections 216.610 to 216.700 of the Kentucky Revised Statutes and the regulations pertaining thereto.

Section 2. That a copy of this resolution be sent by the Clerk to the Commissioner of the Department of Economic Security of the Commonwealth of Kentucky.

HR 98 taken from Orders of the Day. Representative Prather moved that it be placed upon its passage. Agreed.

Representative Nett moved the adoption of **HR 98.** Agreed.

HR 98, A RESOLUTION commending the Kentucky Young Historians' Association.

WHEREAS, the Kentucky Young Historians' Association of our Kentucky Historical Society early in the past decade formulated for the youth of the Commonwealth a plan for the organization, operation and increase of history-minded young groups throughout Kentucky; and

WHEREAS, K.Y.H.A.'s purpose is to encourage the pursuit of knowledge in the field of history, believing that familiarity with the past promotes an understanding of the present and preparation for the future; and

WHEREAS, another facet of this purpose is to prove that history can be interesting, especially when viewed from the role that one's own community portrayed in that history; and

WHEREAS, today 6,000 young Kentuckians as enrolled members of the Kentucky Young Historians' Association are energetically and enthusiastically furthering the objects and ideals of the Association by studying the histories of their various communities, familiarizing themselves with the rich Kentucky historical heritage to which they are the legatees, and by disseminating their findings in their own magazine, KENTUCKY HERITAGE, a recognized leader among journals published by youth history groups in the United States,

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

Section 1. That by these presents this body, now in session, expresses its full approbation of and thanks to the Kentucky Young Historians' Association and its leadership for instilling in the youth of the Commonwealth a meaningful awareness of our history as their citadel of preparedness in the challenging but uncompromising face of the future.

Section 2. That the Clerk is directed to send attested copies of this Resolution to Mr. George M. Chinn, Director of the Kentucky Historical Society; Mr. Lewis Woods, Director of the Kentucky Young Historians; the President of the Association; the First Vice-President; the Second Vice-President; the Secretary; and the Historian, all in care of the Kentucky Young Historians' Association, Old State House, P. O. Box H, Frankfort, Kentucky, 40601.

Section 3. That the Clerk further be directed to send an attested copy of this Resolution to Mr. Robert Willenbrink, President of the Xavier Historians, St. Xavier High School, 1609 Poplar Level Road, Louisville, Kentucky, 40217.

Representative Prather moved that consideration of **HR 99** be deferred and that it retain its position in Orders of the Day. Agreed.

Representative Prather moved that when the House adjourns today, it do so by voice vote; and, when it convenes, it do so at 12 noon, March 13, 1970. Agreed.

Representative Kenton moved the adoption of **HR 102.** Agreed.

HR 102, A RESOLUTION commending the Lexington Philharmonic Society.

WHEREAS, the Lexington Philharmonic Society was rechartered in 1963 for the primary purpose of sponsoring the Lexington Philharmonic Orchestra; and

WHEREAS, the Lexington Philharmonic Orchestra is composed of citizens from the community, university students and

faculty members, who perform with distinction for the benefit of those many people in Central Kentucky who enjoy and appreciate the best in music; and

WHEREAS, the Lexington Philharmonic Orchestra has flourished under the able leadership of Mr. Leo Scheer, who serves as music director and conductor; and

WHEREAS, the Society receives its entire support from the community, from ticket sales, from private donations, and from funds supplied by the Women's Guild of the Society which sponsors fund-raising projects; and

WHEREAS, the Lexington Philharmonic Society has been a contributing factor to the cultural enlightenment and enrichment of the citizens of Kentucky;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

Section 1. That the Lexington Philharmonic Society, its music director and conductor, its Board of Directors, its members and those who perform under its auspices be, and they hereby are, praised and highly commended for their constant effort resulting in the performance of excellent music for the benefit of the citizens of the Commonwealth.

Section 2. That the Clerk of the House of Representatives be and he hereby is directed to mail copies of this resolution to Mr. Leo Scheer, Music Director and Conductor, 1752 Hawthorne Lane, Lexington, Kentucky, and to Mr. C. A. Coleman, Sr., President of the Board of Directors, 132 N. Limestone, Lexington, Kentucky.

Senate Message

Announcing passage of **HB 360, HB 276, SB 293** and **SB 117.**

Recess

Representative Prather moved that the House recess for committee meetings. Agreed.

At the appointed hour, the Speaker resumed the Chair and called the House to order.

Representative J. Hardin moved that the Rules be suspended to return to Introduction of Bills and Resolutions, Report of Committees, and Reference of Bills and Resolutions. Agreed.

Introduction of Bills and Resolutions

HB 743, by Representative Ray: AN ACT relating to health and safety.

HB 744, by Representative Freeman: AN ACT relating to garbage disposal districts.

HR 106, by Representative DeMarcus: A RESOLUTION on the Lincoln Heritage Trail Foundation.

HR 107, by Representative Kenton: A RESOLUTION commending the work of the Manchester Center, Inc., of Lexington, Kentucky.

HR 108, by Representative Kenton: A RESOLUTION commending the organizers and sponsors of the Lexington Soap Box Derby.

HB 745, by Representative DeMarcus: AN ACT establishing the Office of State Curator.

Report of Committees

The Committee on Judiciary reported **HB 729,** with Committee Amendment attached thereto, **HB 471, HB 77** and **SB 192** with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 729, AN ACT to update the Kentucky Revised Statutes by deleting certain obsolete and unused laws.

WHEREAS, the General Assembly desires that the Kentucky Revised Statutes be a model of efficiency and an asset to the administration of the Commonwealth; and

WHEREAS, the process of law requires continual supervision of the statutes, both to meet new needs and to eliminate outmoded provisions which have long outlived their usefulness; and

WHEREAS, the duty to delete such statutes falls squarely upon the General Assembly; and

WHEREAS, the General Assembly has found the following statutes to be obsolete, in a state of disuse; and

WHEREAS, some of these statutes, by their continued presence in the Kentucky Revised Statutes, bring discredit and derision to the laws of the Commonwealth,

NOW, THEREFORE,

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. The following sections of the Kentucky Revised Statutes are hereby repealed:

278.570, 278.580, 278.990 (9), 278.990 (10), 433.410, 433.420, 433.510, 433.790, and 436.140.

The Committee Amendment to **HB 729** is as follows:

Amend printed copy of House Bill 729 on page 2, line 4, by: deleting, by striking, 433.790.

HB 471, AN ACT relating to parole in misdemeanor cases.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Section 439.175 of the Kentucky Revised Statutes is amended to read as follows:

(1) Parole may be granted to persons convicted of a misdemeanor and sentenced to jail under the same terms and conditions as parole may be granted for conviction in felony cases[.], *which terms and conditions are set out in KRS 439.340 and 439.346.*

(2) The power to grant parole shall be vested in the county judge of the county wherein the misdemeanant may be con-

fined[.], *except that in cities of the second and third classes, the police judge shall have the power to grant parole in cases where the sentences do not exceed 6 months.*

HB 77, AN ACT relating to witnesses' fees.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Section 421.020 of the Kentucky Revised Statutes is amended to read as follows:

(1) Witnesses subpoenaed for the state in felony cases shall be allowed *three* [one] dollars per day for each day in attendance in the circuit court, beginning with the day set for the trial of the case. If a witness resides in another county he shall receive in addition to the per diem, four cents per mile going and returning by nearest traveled route to be allowed by the circuit court and certified to the circuit clerk for payment.

(2) No witness subpoenaed for the state in felony cases shall be allowed the per diem of *three* [one] dollars for more than one day unless such witness is actually used on the trial or excused by the court or Commonwealth's attorney on the first day such witness appears for the trial, and before such witness is subpoenaed by the Commonwealth there has been filed with the circuit clerk a statement signed by the Commonwealth's attorney or the county attorney to the effect that the witness has been interviewed by the county or Commonwealth's attorney, and that in the judgment of the county or Commonwealth's attorney the witness is an important one. The circuit clerk shall not issue any subpoena in felony cases except upon the written request of the county or Commonwealth's attorney filed with him.

SB 192, AN ACT relating to motor vehicle operator's licenses.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Section 186.412 of the Kentucky Revised Statutes is amended to read as follows:

(1) Every person seeking a license for operation of a motor

vehicle shall apply in person to the circuit court clerk of the county in which he resides and make application upon a form furnished by the department. The application shall contain the full name and signature, date of birth, sex, [race,] and present resident address of the applicant and briefly describe him. It shall also state whether the applicant has previously been licensed as an operator and if so, when and by what state or county, whether any license has ever been cancelled, suspended, revoked or refused, and if so, the date of the reason for the cancellation, suspension, revocation or refusal, and such other information as may be required.

(2) Every applicant shall make oath to the circuit clerk as to the truthfulness of the statements contained in the form.

(3) The clerk shall, after determining that the applicant has fully complied with the law governing applications, issue a temporary operator's license to be valid for not more than ninety days. Such temporary license shall be valid in lieu of the permanent license during the certification period and must be destroyed upon receipt of the permanent operator's license.

(4) Every person seeking an endorsement for operating a motorcycle shall apply in person to the circuit court clerk of the county in which he resides and make application upon a form furnished by the department.

The Committee on Cities reported **SB 177, SB 186, SB 213, SB 223** and **SB 320** with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

SB 177, AN ACT relating to weed and rubbish control in cities.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Section 381.770 of the Kentucky Revised Statutes is amended to read as follows:

(1) It shall be unlawful for the owner, occupant or person having control or management of any land within a city [of the first, second or third class], to permit a public nuisance, health

hazard or source of filth to develop thereon through the accumulation of rubbish or the excessive growth thereon of weeds or grass.

(2) Whenever such a situation is discovered, the director of sanitation or other responsible officer designated by the city legislative body [of such city of the first, second or third class] shall give five days' written notice to remedy such situation. The said notice shall be mailed to the last known address of the owner of the said property, as it appears on the current tax assessment roll. Upon the failure of the owner of said property to comply, the director of sanitation or other responsible officer designated by the city legislative body of such city is authorized to send employes upon the said property to remedy the situation.

(3) The city [of the first, second or third class] shall have a lien against the said property for the reasonable value of labor and materials used in remedying such situation. The affidavit of the director of sanitation or other responsible officer designated by the city legislative body [of said first, second or third class city] shall constitute prima facie evidence of the amount of the lien and the regularity of the proceedings pursuant to this statute, and shall be recorded in the office of the county court clerk in the county where such city [of the first, second or third class] is located. The said lien shall be notice to all persons from the time of its recording and shall bear interest at six percent per annum thereafter until paid.

SB 186, AN ACT relating to Pedestrian Mall Projects in cities of the first class.

WHEREAS, the General Assembly of the Commonwealth of Kentucky hereby determines that in Cities of the First Class, the public ways and thoroughfares situated in the downtown areas of said Cities have become increasingly congested, unhealthy and unsafe by virtue of the ever-increasing movement of vehicular traffic, and that as a result thereof, pedestrian traffic, which is vital to the continued viability of such downtown areas, is decreasing, all of which has caused an erosion of property values and which constitutes a threat to the health, safety and welfare of the general public, and a threat to the economic viability of downtown areas, which areas are important in the

continuing ability of such Cities to function effectively for the benefit of the public; and

WHEREAS, the General Assembly of the Commonwealth of Kentucky further determines that the improvement of such downtown areas by the construction of Pedestrian Mall Projects will tend to preserve and enhance the economic viability of such downtown areas, and will immeasurably enhance the safety, health, convenience, enjoyment and general welfare of the public, and will thereby constitute the performance of essential governmental and public purposes;

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. A new section of Chapter 93 of the Kentucky Revised Statutes is created to read as follows:

As used in this Act, the following words or terms shall have the respective meanings indicated wherever used in this Act unless a different meaning is clearly indicated by the context:

(1) "City" means a city of the first class, as identified in KRS 81.010(1).

(2) "Governing body" means the board of aldermen, or the chief body of the city with legislative powers, however designated by applicable statutes.

(3) "Downtown area" means that area of a city located within a radius of thirty-five hundred linear feet measured in a straight line from the center of the city hall or other municipal building of the city in which the legislative branch of the government of the city is housed.

(4) "Public way" shall have the same meaning as is ascribed to that term in KRS 93.010(2).

(5) "Principal public way" means a public way which is not less than sixty feet in width.

(6) "City block" means the distance between two principal public ways.

(7) "Square block" means that territory or body of land bounded on all sides by principal public ways which intersect

one another in the downtown area, on each side of which there is but one city block.

(8) "Main mercantile street" means the portion of the principal public way in the downtown area of a city (a) upon which there is located, on the portion thereof within the downtown area, properties having the highest aggregate assessed value for city ad valorem real property taxes, and (b) upon the sidewalks of which, on the portions thereof in the downtown area, there is the greatest volume of pedestrian traffic, which latter fact shall be determined by the governing body of the city upon the basis of the latest available surveys and statistical information.

(9) "Pedestrian mall project" means and includes the construction and installation of pedestrian mall improvements in and upon that portion of the main mercantile street to an extent, not exceeding six city blocks in length, which the governing body of a city determines by Ordinance should be classified as a pedestrian mall, and used primarily for the movement, safety, convenience, enjoyment and general welfare of pedestrians, and upon which vehicular traffic is limited to such vehicles as the governing body determines are consistent with the primary use of such pedestrian mall project.

(10) "Pedestrian mall improvements" means any and all constructions, installations, fixtures, facilities, changes and betterments made to and upon a pedestrian mall which will enable it to be used, or which will facilitate its use, as a pedestrian mall, including walkways, shelters, seating and the space therefor, trees, flower plantings, sculptures, fountains, newsstands, traffic signs, kiosks, ornamental signs, radiant heating fixtures, trash receptacles, display cases, marquees, awnings, canopies, walls, bollards and any and all other fixtures, equipment, facilities and appurtenances which, in the judgment of the legislative body, will enhance the movement, safety, convenience, enjoyment and general welfare of pedestrians, and thereby stimulate pedestrian movement and increase the value of all properties located in the pedestrian mall area.

(11) "Pedestrian mall improvement costs" shall mean and include all costs and expenses incurred in the planning, design, construction, installation and financing of a pedestrian mall, including, but not by way of limitation, the cost of labor, materials

and equipment necessary to complete the Project in a satisfactory manner, if any, and every other expense in connection with the project, including preliminary and other surveys and designs, inspection of the work, cost of removing, replacing or relocating utilities, engineering and architectural fees and costs, attorney's fees, preparation of plans and specifications, publication of ordinances and notices, interest which will accrue on improvement assessment bonds during construction of the project, and until the due date of the first annual improvement assessment levied in connection therewith, a sum equal to any discount in the sale of the bonds (if discount bids are authorized and permitted by the governing body), a reasonable allowance for unforeseen contingencies, the printing of bonds and other costs of financing, which may include the payment of a fee to a Fiscal Agent for advice and assistance in the preparation and marketing of the bonds.

(12) "Pedestrian mall benefit area" means and shall include all of the land (except such as is located in a public way) which the governing body of the City by ordinance determines will be benefited by a pedestrian mall project, including specifically all land abutting directly on both sides of such project, and said pedestrian mall benefit area, may, if such benefit be so determined, include all of the land in each square block one side of which abuts or fronts upon a pedestrian mall; provided that lands not directly abutting a project shall be assessed at a lesser ratio, as provided in Section 3 of this Act.

(13) "Assessed value basis" means the plan for the levying of annual improvement benefit assessments on the basis of the assessed values of the properties benefited by a pedestrian mall project, as authorized by this Chapter, and as further defined in Chapter 107 of the Kentucky Revised Statutes.

(14) "Improvement assessment bonds" means bonds which are issued pursuant to authority of this Act and Chapter 107 of the Kentucky Revised Statutes for purposes of financing the pedestrian mall improvement costs incident to a pedestrian mall project.

(15) "Zone One benefited land" means all land situated within a pedestrian mall benefit area which directly fronts and abuts upon a pedestrian mall project, to a depth of two hundred

ten (210) feet, only. Zone One benefited land shall include all contiguous city lots under common ownership if a portion of any of such lots fronts and abuts upon a pedestrian mall project, notwithstanding the fact that such lots may be assessed separately for city ad valorem real property taxes.

(16) "Zone Two benefited land" means all of the land, except Zone One benefited land situated within each square block which abuts upon a pedestrian mall project.

Section 2. A new section of Chapter 93 of the Kentucky Revised Statutes is created to read as follows:

The General Assembly of the Commonwealth of Kentucky finds as a fact that the preservation of downtown areas of cities is vital to the health, safety and material well-being of the citizens and inhabitants thereof, and that the construction and installation of pedestrian mall projects will contribute to the safe and effective movement of persons, and serve the public health, safety, convenience, enjoyment and general welfare. The governing body of a city, to protect and serve the public safety, convenience and welfare and the interests of the public in the safe and effective movement of persons, and to preserve and enhance the function, appearance and economic viability of the central mercantile and business area of such city, may initiate, construct, install and establish a pedestrian mall project in the manner herein provided, at the exclusive cost of the owners of land located in the pedestrian mall benefit area, which is benefited by a pedestrian mall project.

Section 3. A new section of Chapter 93 of the Kentucky Revised Statutes is created to read as follows:

(1) The General Assembly of the Commonwealth of Kentucky determines as a legislative finding of fact that the initiation, construction, installation and establishment of a Pedestrian Mall Project pursuant to the authority contained in this Act constitutes a direct, physical, material and substantial benefit to land fronting and abutting directly upon said Pedestrian Mall Project; and may, directly, physically, materially and substantially benefit the land other than that land directly fronting and abutting upon the Pedestrian Mall Project which is situated within every square block, a portion of which directly abuts a Pedestrian Mall

Project, if said benefit is so established and determined by the governing body of a City instituting such project. However, that land situated within such square blocks not directly fronting and abutting upon a Pedestrian Mall Project, where benefited, is recognized to be directly, physically, materially and substantially benefited to a lesser degree than land directly fronting and abutting upon such Pedestrian Mall Project.

(2) The governing body of a City instituting, installing, constructing and establishing a Pedestrian Mall Project shall, based upon a careful study of the facts involved, determine the nature and scope of the area of land benefited by the Pedestrian Mall Project. The governing body may, if benefit be determined to inure to land other than that fronting and abutting directly upon a Pedestrian Mall Project, ordain and determine that such land other than land directly fronting and abutting upon the Project is benefited by such Project; provided, however, that in such event the benefited land other than that directly fronting and abutting upon the Pedestrian Mall Project shall not be assessed to an extent greater than as hereinafter set forth.

(3) In the event the governing body shall determine that land directly fronting and abutting on a Pedestrian Mall Project is the only land benefited by said Project, such land shall be the only property included in the Pedestrian Mall Benefit Area, and shall be assessed the entire costs of the Project, on the assessed value basis authorized by Chapter 107 of the Kentucky Revised Statutes, as hereinafter provided. In the event the governing body shall determine that the Pedestrian Mall Project will benefit all properties situated within every square block abutting upon a Pedestrian Mall Project, the Pedestrian Mall Benefit Area shall be divided into two special benefit assessment zones, to be identified as Zone One Benefited Land and Zone Two Benefited Land. Zone One Benefited Land shall include all land fronting and abutting on the Pedestrian Mall Project to the depth of each parcel of land which fronts on said Pedestrian Mall Project; provided, however, that Zone One Benefited Land shall be assessed only to a depth from the Pedestrian Mall Project of two hundred ten (210) feet, it being determined as a legislative finding of fact that direct, physical, material and substantial benefits of the nature resulting from abutting directly upon such Project do not accrue to properties which are situated at a distance from the

Pedestrian Mall Project exceeding two hundred ten (210) feet. All of the remaining land situated within any square block fronting upon a Pedestrian Mall Project shall be classified as Zone Two Benefited Land.

(4) In levying improvement benefit assessments against all benefited lands situated within the geographical boundaries of the Pedestrian Mall Benefit Area, as such area is defined by Ordinance adopted by the governing body, in the event the governing body has determined that all property situated within every square block abutting upon a Pedestrian Mall Project shall be benefited by the Project, and that all such property shall consequently be classified as Zone One Benefited Land and Zone Two Benefited Land, not less than eighty percent (80%) of the total amount of improvement benefit assessments levied in each year shall be levied against and collected from the owners of the land classified as Zone One Benefited Land, and the remainder of the total amount of improvement benefit assessments levied in each year shall be levied against and collected from the owners of the land classified as Zone Two Benefited Land, all such assessments to be made on the assessed value basis.

(5) The governing body of the city shall levy an annual assessment against the owners of benefited land to pay (a) the additional maintenance cost occasioned by the pedestrian mall in excess of the amount ordinarily expended by the city in maintaining the pedestrian mall area as a public way, and (b) the cost of indemnifying the city against any loss resulting from claims for damages to persons and property caused by the pedestrian mall improvements, other than walkways and traffic signs as defined in subsection (10) of Section 1 of this Act.

Section 4. A new section of Chapter 93 of the Kentucky Revised Statutes is created to read as follows:

In the financing of Pedestrian Mall Projects, Cities of the First Class shall use and employ all of the authority and procedures granted to incorporated municipalities by KRS 107.010 to 107.220; provided, however, that Improvement Assessment Bonds issued for Pedestrian Mall Projects may be caused to mature as to principal in term or serial maturities not to exceed thirty (30) years from date of issue, instead of being limited to twenty (20) years from date of issue, as otherwise provided in

Chapter 107 of the Kentucky Revised Statutes, and provided further that said Improvement Assessment Bonds may be issued at any rate or rates of interest which may be determined upon by the governing body of such City.

Section 5. A new section of Chapter 93 of the Kentucky Revised Statutes is created to read as follows:

Nothing in this Act shall authorize (1) the financing of the cost of facilities for the generation, transmission, or distribution of electric energy; or (2) the financing of the cost of facilities for the production, transmission or distribution of gas (natural, manufactured, or mixed), telephone and telegraph; (3) the city governing body to condemn or require the removal, replacement or relocation of property or facilities of a public service or utility company when such action would destroy or adversely affect the service rendered by it to the public in and about the benefited area, or would adversely affect the general system of facilities operated by the public service or utility company, and in any event such public service or utility company shall be paid the fair market value of any such property condemned and shall be reimbursed for the cost of any required removal, replacement or relocation of facilities as part of the pedestrian mall improvements costs; (4) the city governing body to exercise the power of condemnation with respect to any other property under any circumstances; provided, however, the city governing body may, in order to construct pedestrian mall improvements, acquire by condemnation such easements and rights of user as may be necessary for construction and continued maintenance of such pedestrian mall improvements.

Section 6. A new section of Chapter 93 of the Kentucky Revised Statutes is created to read as follows:

The provisions of this Act are severable, and if any provision of this Act, or the application of any such provision under certain circumstances, shall be held to be invalid, the invalidity of such provision or provisions shall not affect any other provisions of this Act or the application thereof under different circumstances.

SB 213, AN ACT relating to library trustees.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Section 173.340 of the Kentucky Revised Statutes is amended to read as follows:

(1) The management and control of a library shall be vested in a board of trustees. In cities and counties the board shall consist of five members; *except that in cities of the second class, it shall consist of seven members.* In a library region there shall be five members except if the number of counties exceeds five there shall be one trustee from each county in the region.

(2) Within thirty days after the establishment of a library has been authorized by any of the methods authorized by KRS 173.310, a library board shall be appointed. In cities the trustees shall be appointed by the mayor and in counties they shall be appointed by the county judge. In a regional library district the trustees shall be appointed by the joint action of the judges of the respective counties or as may be agreed upon by contract. In any region in which there are four or less counties, provision shall be made in the contract for rotation of members and an equitable adjustment of terms. If a region consists of an even number of counties, the trustees appointed by the judges of the respective counties shall appoint an additional trustee whose term of office shall be four years and whose successor shall be appointed by the trustees in office at the time of expiration of such term. Trustees shall be appointed from the governmental unit at large with special reference to their fitness for such office. Members of the board shall be appointed as follows: two members for two years, one member for three years, and two members for four years respectively, and thereafter trustees shall be appointed to serve four years. Vacancies shall be filled for the unexpired terms as soon as possible in the same manner as the original appointments.

(3) A library trustee shall not receive a salary or other compensation for services as a trustee. Before entering upon the duties of his office, a trustee shall take oath that he will faithfully discharge his duties. No board shall employ as a member of its library staff any member of the board or any person related closer than a second cousin to any member of the board. No person is eligible to this office who is directly or indirectly interested in the sale to the library of books, magazines, supplies, equip-

ment, materials, fire insurance or services for which library funds are expended.

(4) A library trustee may be removed only by vote of the legislative body of the respective governmental unit from which he was appointed.

SB 223, AN ACT changing the classification of the City of Bardstown, in Nelson County.

WHEREAS, satisfactory information has been presented to the General Assembly that the population of the City of Bardstown, in Nelson County, is such as to justify its being classified as a city of the fourth class.

NOW, THEREFORE,

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

The City of Bardstown, in Nelson County, is transferred from the fifth to the fourth class of cities.

SB 320, AN ACT changing the classification of the City of Elkton in Todd County.

WHEREAS, satisfactory information has been presented to the General Assembly that the population of the City of Elkton in Todd County is such to justify its being classified as a city of the fourth class,

NOW, THEREFORE,

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. The City of Elkton in Todd County is transferred from the fifth to the fourth class of cities.

Announcements

Representative J. Hardin filed three amendments to **HB 176.**

Representative J. Hardin filed three amendments to **HB 175.**

Representative Keene filed an amendment to **HB 500.**

Representative J. Hardin filed an amendment to **HB 727.**

Representative Nett filed two amendments to **HB 490.**

Representative Wyatt filed an amendment to **HB 555.**

Representative Wible filed an amendment to **HR 26.**

Representative Stuart filed an amendment to **HB 610.**

Representative Murphy filed an amendment to **SB 6.**

The Clerk announced the following Bills and Resolutions have been posted for consideration:

Agriculture and Natural Resources: **HR 105, SB 73.** (Room 403, March 13, 1970, 11:00 a.m.)

Counties and Special Districts: **HB 689.** (Room 305, March 13, 1970, 10:30 a.m.)

State Government: **SR 63.** (Special meeting, Room 305, March 13, 1970, 11:00 a.m.)

Public Utilities and Transportation: **SB 351.** (Room 403, March 13, 1970, 10:30 a.m.)

Judiciary: **HB 735, HB 738, SB 184, SB 284.** (Room 402, March 13, 1970, 10:00 a.m.)

The Clerk announced the following Bills and Resolutions were withdrawn from consideration:

Highways and Traffic Safety: **HB 484, HB 506, HB 536, HB 681.**

Judiciary: **HB 635, HB 657, HB 714, HB 446, SB 140, HR 69, HB 17, HB 181, HB 475, HB 504, HB 507, HB 554, HB 573, HB 582, HB 635, HB 657, HB 714.**

Senate Message

Announcing passage of **SB 386, SB 80, SB 289, SB 354, SB 298, SB 305, SR 52, HB 153** and **HB 288.**

The Clerk announced the following Bills and Resolutions were posted for consideration:

Health and Welfare: **HB 744, SB 226.** (Room 401, March 13, 1970, 10:00 a.m.)

Representative J. Hardin moved that the House adjourn until 12 noon, March 13, 1970. Agreed.

FRIDAY, MARCH 13, 1970

FIFTY-FOURTH LEGISLATIVE DAY

The House was called to order by Speaker Carroll.

Prayer by Dr. Robert J. Laughlin, First Presbyterian Church, Frankfort.

The roll was called. All present except Representatives Louden, McGill and Wenz.

Representative Isler moved that absent members be granted leave of absence. Agreed.

Representative McNamara moved that the reading of the Journal of March 12, 1970, be dispensed with and the same approved. Agreed.

Representative McBrayer moved that scheduled business be deferred and the House proceed to Orders of the Day. Agreed.

Report on Enrolled Bills

The Committee on Enrollment reported **HB 143, HB 152, HB 153, HB 276, HB 284, HB 288, HB 360, HB 478** and **HB 364** had been examined and found correctly enrolled. **HB 143, HB 152, HB 153, HB 276, HB 284, HB 288, HB 360, HB 478** and **HB 364** read at length, compared and signed in open session by the Speaker. Ordered delivered to the Senate.

HB 143, HB 152, HB 153, HB 276, HB 284, HB 288, HB 360, HB 478 and **HB 364** delivered to the Senate, signed by President. Ordered delivered to the Governor.

Representative Schmidt moved that with the permission of the Sponsors **HB 667** be withdrawn. Agreed.

Representative Blume moved that the title to **HB 478** read as follows: "Mae Street Kidd Low Cost Housing Bill". Agreed.

Orders of the Day

Representative McBrayer moved that consideration of **HB 225, HB 369, HB 474, HB 437, HB 587, HB 452, HB 625, HB 669,**

HB 691 and **HB 145** be deferred and that they retain their position in Orders of the Day. Agreed.

HB 576 taken from Orders of the Day and ordered read at length for the third time. Representative McBrayer moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

On the roll call the vote was yeas 79—Alexander, Arnett, Baker, Bartley, Blandford, Bleemel, Blume, Archie Brown, Edward G. Brown, Hershel Brown, Bruce, Carter, Chapman, Clapp, Clarke, Conn, James A. Davis, DeMarcus, Deskins, Donnermeyer, Dorris, Floyd, Graves, Haney, John O. Hardin, L. T. Hardin, Head, Hinkle, Huff, Hughes, Isler, Keene, Keith, Kenton, Kessinger, Kidd, Kleier, Knuckles, Lewis, Lindsay, McBrayer, McBride, McCann, McNamara, Massey, May, Mershon, Miller, Mitchell, Murphy, Nett, Osborne, Parish, Paxton, Peak, Pollitte, Prather, Priddy, Rattliff, Ray, Reed, Russell Reynolds, Rickert, Roberts, Ruh, Salyers, Schmidt, Siemens, Simmons, Swinford, Tobin, Van Horn, Wells, Wenz, West, Wheeler, Wible, Wright, Yocom. Nays 0.

HB 576 was passed and the title agreed to.

Representative McBrayer moved that the vote by which **HB 576** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

Representative McBrayer moved that consideration of **HR 99** be deferred and that it retain its position in Orders of the Day. Agreed.

HB 509 taken from Orders of the Day and ordered read at length for the third time. Representative McBrayer moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

On the roll call the vote was yeas 46—Arnett, Blandford, Bleemel, Blume, Edward G. Brown, Hershel Brown, Bruce, Carroll, Carter, Chapman, Conn, Donnermeyer, Floyd, Graves, John O. Hardin, Hughes, Isler, Kenton, Kessinger, Kidd, King, Kleier, Lewis, McBrayer, McBride, McKinney, Massey, Mershon, Miller, Murphy, Nett, Prather, Priddy, Ray, Russell Reynolds, W. J. Reynolds, Roberts, Ruh, Salyers, Siemens, Swinford, Van Horn,

Wenz, Wible, Wright, Yocom. Nays 38—Alexander, Baker, Bartley, A. Brown, Clarke, Collins, Curlin, J. Davis, W. Davis, Dorris, Durham, L. Hardin, Head, Hinkle, Huff, Keene, Keith, Knuckles, Lindsay, Lovins, McCann, McNamara, Mitchell, Parish, Paxton, Peak, Pollitte, Rattliff, Reed, Rickert, Schmidt, Simmons, Stuart, Tobin, Wells, West, Wheeler, J. White.

HB 509 was passed and the title agreed to.

Representative McBrayer moved that the vote by which **HB 509** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 551 taken from Orders of the Day and ordered read at length for the third time. Representative McBrayer moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

On the roll call the vote was yeas 59—Arnett, Blandford, Bleemel, Blume, Edward G. Brown, Bruce, Carroll, Carter, Chapman, Clapp, Clarke, Conn, Curlin, Dorris, Graves, Haney, John O. Hardin, Head, Hinkle, Hughes, Isler, Keene, Kenton, Kessinger, Kidd, Kleier, Lewis, Lindsay, Lovins, McBrayer, McBride, McCann, McNamara, Massey, May, Mershon, Mitchell, Murphy, Nett, Parish, Paxton, Peak, Pollitte, Prather, Priddy, Ray, Reed, Russell Reynolds, T. P. Reynolds, Rickert, Roberts, Ruh, Siemens, Swinford, Tobin, Van Horn, Wenz, Wible, Yocom. Nays 28—Alexander, Baker, Bartley, A. Brown, H. Brown, Collins, J. Davis, W. Davis, DeMarcus, Durham, Floyd, L. Hardin, Holloway, Huff, Keith, King, Knuckles, McKinney, Osborne, Rattliff, Schmidt, Sharpe, Simmons, Stuart, West, Wheeler, J. White, Wright.

HB 551 was passed and the title agreed to.

Representative McBrayer moved that the vote by which **HB 551** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 215, with Committee Amendment attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative McBrayer moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Nett moved the adoption of the Committee Amendment to **HB 215.**

Representative Wells moved that **HB 215** be recommitted to the Committee on Business Organizations and Professions.

On the roll call the vote was yeas 11—Alexander, Baker, Clapp, Dorris, Freeman, Keith, Lovins, Mitchell, Parish, Reed, Wells. Nays 64—Allen, Arnett, Blandford, Bleemel, Blume, Blythe, A. Brown, H. Brown, Bruce, Carroll, Carter, Chapman, Collins, Conn, J. Davis, W. Davis, DeMarcus, Donnermeyer, Durham, Graves, Haney, J. Hardin, L. Hardin, Head, Huff, Hughes, Isler, Kenton, Kessinger, Kidd, Kleier, Knuckles, Lewis, Lindsay, McBrayer, McBride, McCann, McKinney, May, Mershon, Murphy, Nett, Paxton, Peak, Prather, Priddy, Ray, R. Reynolds, T. Reynolds, W. J. Reynolds, Rickert, Roberts, Ruh, Salyers, Schmidt, Sharpe, Siemens, Stuart, Tobin, Van Horn, Wenz, Wheeler, Wible, Yocom.

The motion that **HB 215** be recommitted to the Committee on Business Organizations and Professions was rejected.

Representative Nett moved the adoption of the Committee Amendment to **HB 215.** Agreed.

On the roll call the vote was yeas 78—Alexander, Allen, Arnett, Blandford, Blume, Blythe, Archie Brown, Edward G. Brown, Hershel Brown, Bruce, Carroll, Carter, Chapman, Clarke, Collins, Conn, Curlin, James A. Davis, Walter Davis, DeMarcus, Deskins, Donnermeyer, Dorris, Durham, Graves, Haney, John O. Hardin, L. T. Hardin, Head, Holloway, Hughes, Isler, Keene, Kenton, Kessinger, Kidd, King, Kleier, Knuckles, Lewis, Lindsay, McBrayer, McBride, McCann, McKinney, Massey, May, Mershon, Miller, Murphy, Nett, Osborne, Parish, Paxton, Peak, Prather, Priddy, Rattliff, Ray, Reed, Russell Reynolds, T. P. Reynolds, W. J. Reynolds, Rickert, Roberts, Ruh, Salyers, Sharpe, Siemens, Stuart, Swinford, Tobin, Van Horn, Wenz, Wheeler, Wible, Wright, Yocom. Nays 8—Baker, Freeman, Huff, Keith, Lovins, Pollitte, Simmons, Wells.

HB 215 as amended was passed and the title agreed to.

Representative Kidd moved that **HB 215** be named the "Archie Brown Bill". Agreed.

Representative McKinney moved that the vote by which **HB 215** as amended was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 157 taken from Orders of the Day and ordered read at length for the third time. Representative McBrayer moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative J. Hardin moved that **HB 157** be recommitted to the Committee on Counties and Special Districts.

On the roll call the vote was yeas 66—Alexander, Allen, Arnett, Baker, Bleemel, Blythe, Archie Brown, Hershel Brown, Bruce, Clarke, James A. Davis, Walter Davis, DeMarcus, Deskins, Donnermeyer, Dorris, Durham, Floyd, Haney, John O. Hardin, L. T. Hardin, Head, Hinkle, Holloway, Huff, Hughes, Isler, Keene, Keith, Kenton, Kessinger, Kidd, King, Knuckles, Lindsay, McBrayer, McBride, McCann, McKinney, McNamara, Mershon, Mitchell, Murphy, Osborne, Parish, Paxton, Peak, Prather, Rattliff, Rickert, Roberts, Salyers, Schmidt, Sharpe, Siemens, Simmons, Stuart, Swinford, Tobin, Wells, Wenz, West, Wheeler, John E. White, Wright, Yocom. Nays 10—Carroll, Carter, Clapp, Graves, Lewis, Lovins, Nett, Ruh, Van Horn, Wible.

The motion that **HB 157** be recommitted to the Committee on Counties and Special Districts was adopted.

HR 88 taken from Orders of the Day. Representative McBrayer moved that it be placed upon its passage.

On the roll call the vote was yeas 80—Alexander, Allen, Arnett, Baker, Blandford, Bleemel, Blythe, Edward G. Brown, Hershel Brown, Carter, Chapman, Clarke, Collins, Conn, Curlin, James A. Davis, Walter Davis, DeMarcus, Deskins, Donnermeyer, Dorris, Durham, Floyd, Graves, Haney, John O. Hardin, L. T. Hardin, Head, Hinkle, Holloway, Huff, Hughes, Isler, Keene, Keith, Kenton, Kessinger, Kidd, King, Kleier, Knuckles, Lewis, Lindsay, Lovins, McCann, McKinney, McNamara, Massey, Mershon, Mitchell, Murphy, Nett, Parish, Paxton, Peak, Pollitte, Prather, Priddy, Rattliff, Reed, Russell Reynolds, Rickert, Roberts, Ruh, Salyers, Schmidt, Siemens, Simmons, Stuart, Swinford, Tobin, Van Horn, Wells, Wenz, West, Wheeler, Wible, Wright, Wyatt, Yocom. Nays 0.

HR 88 was adopted.

HR 88, A RESOLUTION honoring Woodrow Wilson Fellows at Thomas More College.

WHEREAS, a small number of outstanding senior college students are annually honored with the designation of Woodrow Wilson Fellow; and

WHEREAS, Thomas More College has been particularly honored by having four of its students so designated; and

WHEREAS, Thomas More College and its students have once again enhanced the image and the stature of Kentucky Higher Education;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

1. That this House congratulates Thomas More College for having been so signally honored, and expresses its pride and appreciation for these four fine students.

2. That the Clerk is directed to send five attested copies of this Resolution to the Reverend John F. Murphy, President, Thomas More College, Fort Mitchell, Kentucky 41017, one copy each for the college, and the Woodrow Wilson Fellows.

HB 113 taken from Orders of the Day and ordered read at length for the third time. Representative J. Hardin moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

On the roll call the vote was yeas 81—Alexander, Allen, Arnett, Baker, Blandford, Bleemel, Blythe, Edward G. Brown, Hershel Brown, Chapman, Clarke, Collins, Conn, Curlin, James A. Davis, Walter Davis, DeMarcus, Deskins, Donnermeyer, Dorris, Durham, Floyd, Graves, Haney, L. T. Hardin, Head, Hinkle, Huff, Hughes, Isler, Keene, Keith, Kenton, Kessinger, Kidd, King, Kleier, Knuckles, Lewis, Lindsay, Lovins, McBride, McCann, McNamara, Massey, May, Mershon, Miller, Mitchell, Murphy, Nett, Parish, Paxton, Peak, Pollitte, Prather, Priddy, Rattliff, Ray, Reed, Russell Reynolds, Rickert, Roberts, Ruh, Salyers, Schmidt, Sharpe, Siemens, Simmons, Stuart, Swinford,

Tobin, Van Horn, Wells, Wenz, West, Wheeler, Wible, Wright, Wyatt, Yocom. Nays 0.

HB 113 was passed and the title agreed to.

Representative J. Hardin moved that the vote by which **HB 113** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 142, with Committee Substitute attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative J. Hardin moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Hinkle moved the adoption of the Committee Substitute for **HB 142.** Agreed.

Representative Hinkle moved that action on **HB 142** be temporarily deferred. Agreed.

Representative Graves requested that he be recorded as voting "yea" on the following bills passed on March 12, 1970: **HB 72, HB 104, HB 593, HB 642, HB 676, HB 678, HR 66, HR 59, HR 102, HR 86, HR 94, HR 96, HR 97, HR 98.**

Representative Graves requested that he be recorded as voting "nay" on **HB 583.**

HB 259 taken from Orders of the Day and ordered read at length for the third time. Representative J. Hardin moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

On the roll call the vote was yeas 84—Alexander, Allen, Arnett, Baker, Bartley, Blandford, Bleemel, Blume, Blythe, Edward G. Brown, Hershel Brown, Bruce, Carter, Chapman, Clarke, Collins, Conn, James A. Davis, Walter Davis, DeMarcus, Deskins, Donnermeyer, Dorris, Durham, Floyd, Freeman, Graves, Haney, John O. Hardin, Head, Hinkle, Holloway, Huff, Hughes, Isler, Keene, Keith, Kenton, Kessinger, Kidd, King, Kleier, Knuckles, Lewis, Lindsay, Lovins, McBride, McCann, McKinney, McNamara, Massey, May, Mershon, Mitchell, Murphy, Nett, Osborne, Parish, Paxton, Peak, Pollitte, Prather, Priddy, Rattliff, Ray, Russell Reynolds, Rickert, Roberts, Salyers, Schmidt, Siemens, Sim-

mons, Stuart, Swinford, Van Horn, Wells, Wenz, West, Wheeler, John E. White, Wible, Wright, Wyatt, Yocom. Nays 2—A. Brown, Reed.

HB 259 was passed and the title agreed to.

Representative J. Hardin moved that the vote by which **HB 259** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 285, with Committee Amendment attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative DeMarcus moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative DeMarcus moved the adoption of the Committee Amendment No. 1 to **HB 285.** Agreed.

Representative DeMarcus moved the adoption of the following Amendment No. 2 to **HB 285:**

Amend printed copy of House Bill 285 on page 1 & 2, lines 13 and 1 through 8 respectively, by striking those lines and substituting therefor the following:

"(3) The Commissioner of Banking may prescribe, amend and repeal regulations authorizing banks or trust companies to engage in any banking activity in which such banks could engage were they operating as national banks at the time such authority is granted, provided that this subsection shall not apply to activities which are expressly prohibited or limited by the statutes of the Commonwealth."

Agreed.

Representative DeMarcus moved the adoption of the following Amendment No. 3 to **HB 285.**

Amend printed copy of House Bill 285 on page 2, line 8, by:

adding to the end thereof the following:

"Nothing herein contained shall be construed to repeal, modify or alter the restrictions of KRS 287.105 relative to the leasing of motor vehicles, or of KRS 287.180 relative to the establishment of branches."

and on page 6, lines 19 and 20, by striking the words "*Upon approval by the Commissioner of Banking.*" and by capitalizing the first letter in the word "*acquire*"

and on line 21, by inserting after the word "*necessary*" the words "*or appropriate*"

and on line 23, by changing the word "*value*" to the "*cost*"

and on page 7, line 25, by striking the words "50% of its capital and" and substituting therefor the words "100% of its unimpaired paid-in capital stock plus 50% of its"

and on line 28, by changing the period "." to a comma "," and adding the words "as may be provided in its articles of incorporation."

and on page 10, line 23, by placing a period "." after the word "*incurred*" and striking the words "*by the bank.*"

and on page 11, line 10, by inserting after the word "*bank,*" the words "*cash and due from banks,*"

and on page 13, line 26, by inserting after the word "of" the words "Chapter 287 of"

and on page 14, line 1, by striking the words "is about to engage or"

Agreed.

On the roll call the vote was yeas 84—Alexander, Allen, Arnett, Baker, Bartley, Blandford, Bleemel, Blythe, Archie Brown, Edward G. Brown, Hershel Brown, Bruce, Carter, Chapman, Clarke, Collins, Conn, Curlin, James A. Davis, Walter Davis, DeMarcus, Deskins, Dorris, Durham, Floyd, Freeman, Graves, Haney, John O. Hardin, L. T. Hardin, Head, Hinkle, Holloway, Huff, Hughes, Isler, Keene, Keith, Kenton, Kessinger, Kidd, King, Kleier, Knuckles, Lewis, Lindsay, Lovins, McBride, McKinney, McNamara, Massey, May, Mershon, Miller, Mitchell, Osborne, Parish, Paxton, Peak, Pollitte, Prather, Priddy, Reed, Russell Reynolds, Rickert, Ruh, Salyers, Schmidt, Sharpe, Siemens, Simmons, Stuart, Swinford, Tobin, Van Horn, Wells, Wenz, West, Wheeler, John E. White, Wible, Wright, Wyatt, Yocom. Nays 0.

HB 285 as amended was passed and the title agreed to.

Representative DeMarcus moved that the vote by which **HB 285** as amended was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 544 taken from Orders of the Day and ordered read at length for the third time. Representative DeMarcus moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

On the roll call the vote was yeas 75—Alexander, Allen, Arnett, Baker, Bartley, Blandford, Bleemel, Blythe, Archie Brown, Hershel Brown, Carter, Chapman, Conn, Curlin, James A. Davis, Walter Davis, DeMarcus, Deskins, Dorris, Durham, Floyd, Graves, Haney, John O. Hardin, L. T. Hardin, Head, Hinkle, Holloway, Huff, Hughes, Isler, Keene, Keith, Kenton, Kessinger, Kidd, King, Kleier, Knuckles, Lewis, Lindsay, Lovins, McBride, McKinney, McNamara, Massey, May, Mershon, Mitchell, Osborne, Parish, Paxton, Peak, Prather, Priddy, Ray, Reed, Russell Reynolds, Rickert, Ruh, Salyers, Schmidt, Sharpe, Siemens, Simmons, Stuart, Swinford, Tobin, Van Horn, West, Wheeler, John E. White, Wible, Wright, Yocom. Nays 1—Clarke.

HB 544 was passed and the title agreed to.

Representative DeMarcus moved that the vote by which **HB 544** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 603 taken from Orders of the Day and ordered read at length for the third time. Representative DeMarcus moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

On the roll call the vote was yeas 83—Alexander, Allen, Arnett, Baker, Bartley, Blandford, Bleemel, Blythe, Archie Brown, Edward G. Brown, Hershel Brown, Bruce, Carter, Chapman, Clarke, Conn, Curlin, James A. Davis, Walter Davis, DeMarcus, Deskins, Dorris, Durham, Floyd, Graves, Haney, John O. Hardin, L. T. Hardin, Head, Hinkle, Holloway, Huff, Isler, Keene, Keith, Kenton, Kessinger, Kidd, King, Kleier, Knuckles, Lewis, Lindsay, Lovins, McBride, McCann, McKinney, McNamara, Massey, May, Mershon, Mitchell, Murphy, Nett, Osborne, Parish, Paxton, Peak, Pollitte, Prather, Priddy, Ray, Reed, Russell Reynolds, Rickert, Ruh, Salyers, Schmidt, Sharpe, Siemens, Simmons, Stuart,

Swinford, Tobin, Van Horn, Wells, Wenz, Wheeler, John E. White, Wible, Wright, Wyatt, Yocom. Nays 0.

HB 603 was passed and the title agreed to.

Representative DeMarcus moved that the vote by which **HB 603** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 622, with Committee Amendment attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative DeMarcus moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative DeMarcus moved the adoption of the Committee Amendment to **HB 622.** Agreed.

Representative DeMarcus moved that action on **HB 622** as amended be temporarily deferred. Agreed.

Senate Message

Announcing passage of **SB 323, SB 319, SB 43, SB 382, SR 56, HB 74, HB 155, HB 383, HB 454, HB 370** and **HB 402.**

Representative E. G. Brown moved that the House concur in the following Senate Amendment to **HB 402:**

Amend printed copy of House Bill 402 on page 2, line 4, by:

deleting the word *"acquire"* and the comma following same on line 4, and

On page 3 thereof, lines 11, 13, 15 and 18 by deleting the word *"acquisition"* and the comma following the same in each of said lines 11, 13, 15 and 18 of said page 3, and the word *"or"* in line 11 of said page 3, and

On page 2, in the first two unnumbered lines in the first literary paragraph thereof by deleting the word "acquisition" and the comma following the same at the end of the first and beginning of the second of such unnumbered lines.

and asks the concurrence of this honorable body.

Agreed.

On the roll call the vote was yeas 83—Alexander, Allen, Arnett, Baker, Bartley, Blandford, Bleemel, Blume, Blythe, Archie Brown, Edward G. Brown, Bruce, Chapman, Clapp, Clarke, Conn, Curlin, James A. Davis, Walter Davis, DeMarcus, Donnermeyer, Dorris, Durham, Graves, Haney, John O. Hardin, L. T. Hardin, Head, Hinkle, Holloway, Huff, Isler, Keene, Keith, Kenton, Kessinger, Kidd, King, Kleier, Knuckles, Lewis, Lindsay, Lovins, McBrayer, McBride, McCann, McKinney, McNamara, Massey, May, Mershon, Mitchell, Nett, Osborne, Parish, Paxton, Peak, Prather, Priddy, Ray, Reed, Russell Reynolds, W. J. Reynolds, Rickert, Ruh, Salyers, Schmidt, Sharpe, Siemens, Simmons, Stuart, Swinford, Tobin, Van Horn, Wenz, West, Wheeler, Glenn White, John E. White, Wible, Wright, Wyatt, Yocom. Nays 0.

HB 402 as amended was passed and the title agreed to.

Representative E. G. Brown moved that the vote by which **HB 402** as amended was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 654 taken from Orders of the Day and ordered read at length for the third time. Representative DeMarcus moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

On the roll call the vote was yeas 84—Alexander, Allen, Baker, Bartley, Blandford, Bleemel, Blythe, Archie Brown, Edward G. Brown, Hershel Brown, Bruce, Chapman, Clarke, Collins, Curlin, James A. Davis, Walter Davis, DeMarcus, Deskins, Donnermeyer, Dorris, Durham, Floyd, Graves, Haney, John O. Hardin, L. T. Hardin, Head, Hinkle, Holloway, Huff, Hughes, Isler, Keene, Keith, Kenton, Kessinger, King, Kleier, Knuckles, Lewis, Lindsay, Lovins, McBrayer, McBride, McCann, McKinney, McNamara, May, Mershon, Mitchell, Nett, Osborne, Parish, Paxton, Peak, Prather, Priddy, Rattliff, Ray, Reed, Russell Reynolds, W. J. Reynolds, Rickert, Ruh, Salyers, Schmidt, Sharpe, Siemens, Simmons, Stuart, Swinford, Tobin, Van Horn, Wells, Wenz, West, Wheeler, Glenn White, John E. White, Wible, Wright, Wyatt, Yocom. Nays 0.

HB 654 was passed and the title agreed to.

Representative DeMarcus moved that the vote by which

HB 654 was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 655 taken from Orders of the Day and ordered read at length for the third time. Representative DeMarcus moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

On the roll call the vote was yeas 80—Alexander, Allen, Baker, Bartley, Blandford, Bleemel, Blythe, Archie Brown, Edward G. Brown, Hershel Brown, Chapman, Clarke, Collins, Conn, Curlin, James A. Davis, Walter Davis, DeMarcus, Deskins, Donnermeyer, Dorris, Durham, Floyd, Graves, Haney, John O. Hardin, L. T. Hardin, Hinkle, Holloway, Huff, Hughes, Isler, Keene, Keith, Kenton, Kessinger, Kidd, King, Kleier, Knuckles, Lewis, Lindsay, Lovins, McBrayer, McBride, McCann, McKinney, McNamara, May, Mershon, Miller, Mitchell, Nett, Osborne, Parish, Paxton, Peak, Prather, Priddy, Rattliff, Ray, Reed, Russell Reynolds, W. J. Reynolds, Rickert, Ruh, Salyers, Schmidt, Sharpe, Siemens, Simmons, Stuart, Van Horn, Wenz, West, Wheeler, John E. White, Wible, Wright, Wyatt. Nays 0.

HB 655 was passed and the title agreed to.

Representative DeMarcus moved that the vote by which **HB 655** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 656 taken from Orders of the Day and ordered read at length for the third time. Representative DeMarcus moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

On the roll call the vote was yeas 81—Alexander, Allen, Baker, Bartley, Blandford, Bleemel, Blume, Blythe, Archie Brown, Edward G. Brown, Hershel Brown, Chapman, Clarke, Conn, Curlin, James A. Davis, Walter Davis, DeMarcus, Deskins, Donnermeyer, Dorris, Durham, Floyd, Graves, Haney, John O. Hardin, L. T. Hardin, Head, Hinkle, Holloway, Huff, Isler, Keene, Keith, Kenton, Kessinger, Kidd, King, Kleier, Knuckles, Lewis, Lindsay, Lovins, McBrayer, McBride, McCann, McKinney, McNamara, May, Mershon, Miller, Mitchell, Nett, Osborne, Parish, Paxton, Peak, Priddy, Rattliff, Ray, Russell Reynolds, W. J. Reynolds, Rickert, Ruh, Salyers, Schmidt, Sharpe, Siemens, Sim-

mons, Stuart, Swinford, Tobin, Van Horn, Wells, Wenz, West, Wheeler, Glenn White, John E. White, Wible, Wright. Nays 0.

HB 656 was passed and the title agreed to.

Representative DeMarcus moved that the vote by which **HB 656** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

Representative Wyatt announced he wished to vote "yea" on **HB 215, HB 576,** and **HB 551.**

Representative DeMarcus moved the adoption of **HR 106.** Agreed.

HR 106, A RESOLUTION on the Lincoln Heritage Trail Foundation.

WHEREAS, The Lincoln Heritage Trail is a marked highway route touching various sites that figured in the life and career of Abraham Lincoln and his family; and

WHEREAS, The Lincoln Heritage Trail was established as a cooperative venture of the states of Kentucky, Indiana, and Illinois, as part of the nation's effort to encourage Americans to see more of their historic heritage; and

WHEREAS, The Lincoln Heritage Trail Foundation was chartered by these same three states as a not-for-profit corporation to aid the economic welfare of the states by encouraging travel over the Lincoln Heritage Trail; and

WHEREAS, An equally important intent of the Foundation is to perpetuate the historic sites to which the Lincoln Heritage Trail leads, so they may be preserved for all future generations; and

WHEREAS, The Governors of the states of Kentucky, Indiana, and Illinois are in agreement that the Lincoln Heritage Trail Foundation should be encouraged and its purposes should be implemented by the sponsorship and active participation of the three states in the functions of the Foundation;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

1. That the House of Representatives of the Commonwealth of Kentucky endorses the intents and purposes of the Lincoln Heritage Trail Foundation and the active participation of the Commonwealth of Kentucky with the states of Indiana and Illinois in the program of the Foundation in promoting travel along the Lincoln Heritage Trail and fostering the preservation of historic sites along the Lincoln Heritage Trail.

2. That the chief clerk is directed to send a copy of this resolution to the Governors of the respective states and to the Executive Director of the Lincoln Heritage Trail Foundation in Champaign, Illinois.

Representative Blume presiding.

HB 622 as amended taken from Orders of the Day and ordered read at length for the third time. Representative DeMarcus moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

On the roll call the vote was yeas 49—Alexander, Baker, Bartley, Bleemel, Blythe, Archie Brown, Hershel Brown, Bruce, Chapman, Clarke, Collins, James A. Davis, Walter Davis, DeMarcus, Deskins, Dorris, Durham, Floyd, L. T. Hardin, Holloway, Keith, Kessinger, King, Lewis, Lindsay, McBride, McCann, McKinney, Massey, May, Mitchell, Murphy, Osborne, Paxton, Peak, Rattliff, Russell Reynolds, Ruh, Schmidt, Sharpe, Simmons, Stuart, Swinford, Tobin, West, Wheeler, Glenn White, John E. White, Wible. Nays 32—Arnett, Blandford, Blume, Carter, Conn, Curlin, Donnermeyer, Freeman, Graves, J. Hardin, Head, Hinkle, Isler, Kidd, Kleier, Lovins, McBrayer, McNamara, Parish, Pollitte, Prather, Priddy, Ray, Reed, W. J. Reynolds, Rickert, Salyers, Siemens, Van Horn, Wenz, Wyatt, Yocom.

HB 622 as amended was passed and the title agreed to.

Representative DeMarcus moved that the vote by which **HB 622** as amended was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 142, with Committee Amendment and Committee Substitute attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative McBrayer moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Hinkle moved that the Committee Amendment be withdrawn. Agreed.

Representative Hinkle moved the adoption of the Committee Substitute for **HB 142**. Agreed.

On the roll call the vote was yeas 87—Alexander, Allen, Arnett, Baker, Bartley, Blandford, Bleemel, Blume, Archie Brown, Edward G. Brown, Hershel Brown, Bruce, Carroll, Carter, Chapman, Clarke, Collins, Conn, Curlin, James A. Davis, DeMarcus, Deskins, Donnermeyer, Dorris, Durham, Floyd, Graves, Haney, John O. Hardin, L. T. Hardin, Head, Hinkle, Holloway, Huff, Hughes, Isler, Keene, Keith, Kenton, Kessinger, Kidd, King, Kleier, Lewis, McBrayer, McBride, McCann, McKinney, McNamara, Massey, May, Mershon, Miller, Mitchell, Murphy, Nett, Osborne, Parish, Paxton, Peak, Pollitte, Prather, Priddy, Rattliff, Ray, Reed, Russell Reynolds, W. J. Reynolds, Rickert, Ruh, Salyers, Schmidt, Sharpe, Siemens, Stuart, Swinford, Tobin, Van Horn, Wenz, West, Wheeler, Glenn White, John E. White, Wible, Wright, Wyatt, Yocom. Nays 0.

HB 142 as amended was passed and the title agreed to.

Representative Hinkle moved that the vote by which **HB 142** as amended was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 574 taken from Orders of the Day and ordered read at length for the third time. Representative McBrayer moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

On the roll call the vote was yeas 82—Alexander, Allen, Baker, Bartley, Blandford, Blume, Blythe, Archie Brown, Edward G. Brown, Hershel Brown, Carter, Chapman, Clarke, Collins, Conn, Curlin, James A. Davis, Walter Davis, DeMarcus, Donnermeyer, Dorris, Durham, Floyd, Freeman, Graves, Haney, John O. Hardin, L. T. Hardin, Head, Hinkle, Huff, Hughes, Isler, Keene, Keith, Kenton, Kessinger, Kidd, King, Kleier, Lewis, Lindsay, Lovins, McBrayer, McBride, McCann, McKinney, McNamara, Massey, May, Mershon, Miller, Nett, Osborne, Parish, Paxton, Peak, Pollitte, Prather, Priddy, Rattliff, Ray, Reed, Russell Reynolds, W. J. Reynolds, Rickert, Ruh, Salyers, Schmidt,

Sharpe, Siemens, Stuart, Swinford, Tobin, Van Horn, Wenz, West, Wheeler, John E. White, Wible, Wyatt, Yocom. Nays 0.

HB 574 was passed and the title agreed to.

Representative McBrayer moved that the vote by which **HB 574** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 609 taken from Orders of the Day and ordered read at length for the third time. Representative McBrayer moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

On the roll call the vote was yeas 88—Alexander, Allen, Baker, Blandford, Blume, Blythe, Archie Brown, Edward G. Brown, Hershel Brown, Bruce, Carter, Chapman, Clarke, Collins, Conn, Curlin, James A. Davis, Walter Davis, DeMarcus, Deskins, Donnermeyer, Dorris, Durham, Floyd, Graves, Haney, John O. Hardin, L. T. Hardin, Head, Hinkle, Holloway, Huff, Hughes, Isler, Keene, Keith, Kenton, Kessinger, Kidd, King, Kleier, Knuckles, Lewis, Lindsay, Lovins, McBrayer, McBride, McCann, McKinney, McNamara, Massey, May, Mershon, Miller, Mitchell, Murphy, Nett, Osborne, Parish, Paxton, Peak, Pollitte, Prather, Priddy, Rattliff, Ray, Reed, Russell Reynolds, W. J. Reynolds, Rickert, Ruh, Salyers, Schmidt, Sharpe, Siemens, Stuart, Swinford, Tobin, Van Horn, Wenz, West, Wheeler, Glenn White, John E. White, Wible, Wright, Wyatt, Yocom. Nays 0.

HB 609 was passed and the title agreed to.

Representative McBrayer moved that the vote by which **HB 609** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 624 taken from Orders of the Day and ordered read at length for the third time. Representative McBrayer moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

On the roll call the vote was yeas 81—Allen, Arnett, Baker, Blandford, Blume, Blythe, Archie Brown, Hershel Brown, Carter, Chapman, Clarke, Collins, Conn, Curlin, James A. Davis, Walter Davis, Deskins, Donnermeyer, Dorris, Durham, Floyd, Freeman, Graves, Haney, John O. Hardin, L. T. Hardin, Head, Hinkle,

Holloway, Huff, Hughes, Isler, Keene, Kenton, Kessinger, Kidd, King, Kleier, Lewis, Lindsay, Lovins, McBride, McCann, McKinney, McNamara, May, Mershon, Miller, Mitchell, Murphy, Nett, Osborne, Parish, Paxton, Peak, Pollitte, Prather, Priddy, Rattliff, Ray, Russell Reynolds, W. J. Reynolds, Rickert, Ruh, Salyers, Schmidt, Sharpe, Siemens, Stuart, Swinford, Tobin, Van Horn, Wenz, West, Wheeler, Glenn White, John E. White, Wible, Wright, Wyatt, Yocom. Nays 0.

HB 624 was passed and the title agreed to.

Representative McBrayer moved that the vote by which **HB 624** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 666 taken from Orders of the Day and ordered read at length for the third time. Representative McBrayer moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

On the roll call the vote was yeas 84—Alexander, Allen, Baker, Blandford, Blume, Archie Brown, Edward G. Brown, Hershel Brown, Bruce, Carter, Chapman, Clarke, Collins, Conn, Curlin, Walter Davis, DeMarcus, Deskins, Donnermeyer, Dorris, Durham, Floyd, Freeman, Graves, Haney, John O. Hardin, L. T. Hardin, Head, Hinkle, Holloway, Huff, Hughes, Isler, Keene, Keith, Kenton, Kessinger, Kidd, King, Kleier, Knuckles, Lewis, Lindsay, Lovins, McBrayer, McBride, McCann, McKinney, McNamara, Massey, May, Mershon, Miller, Mitchell, Murphy, Nett, Parish, Paxton, Peak, Pollitte, Prather, Priddy, Rattliff, Ray, Reed, Russell Reynolds, W. J. Reynolds, Rickert, Ruh, Salyers, Schmidt, Sharpe, Siemens, Simmons, Stuart, Swinford, Tobin, Van Horn, Wenz, West, Glenn White, John E. White, Wible, Wright. Nays 0.

HB 666 was passed and the title agreed to.

Representative McBrayer moved that the vote by which **HB 666** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 675 taken from Orders of the Day and ordered read at length for the third time. Representative McBrayer moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

On the roll call the vote was yeas 76—Alexander, Allen, Baker, Blandford, Blume, Blythe, Archie Brown, Edward G. Brown, Hershel Brown, Bruce, Carter, Chapman, Clarke, Conn, Curlin, DeMarcus, Deskins, Donnermeyer, Durham, Floyd, Graves, Haney, John O. Hardin, L. T. Hardin, Head, Hinkle, Holloway, Huff, Isler, Keene, Keith, Kenton, Kidd, King, Kleier, Knuckles, Lewis, Lindsay, Lovins, McBrayer, McBride, McCann, McNamara, Massey, May, Mershon, Miller, Mitchell, Nett, Osborne, Parish, Paxton, Peak, Pollitte, Prather, Priddy, Rattliff, Russell Reynolds, W. J. Reynolds, Rickert, Salyers, Schmidt, Sharpe, Siemens, Simmons, Stuart, Swinford, Tobin, Van Horn, Wenz, West, Wheeler, Glenn White, John E. White, Wible, Wright. Nays 0.

HB 675 was passed and the title agreed to.

Representative McBrayer moved that the vote by which **HB 675** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 145, with Committee Amendment attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative McBrayer moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Wright moved the adoption of the Committee Amendment to **HB 145.** Agreed.

On the roll call the vote was yeas 55—Alexander, Arnett, Bartley, Blandford, Blume, Blythe, Archie Brown, Bruce, Carroll, Chapman, Clapp, Clarke, Curlin, DeMarcus, Deskins, Dorris, Durham, Graves, Haney, John O. Hardin, L. T. Hardin, Head, Hinkle, Holloway, Keene, Keith, Kenton, Kessinger, King, Knuckles, McBrayer, McBride, May, Mitchell, Murphy, Paxton, Peak, Pollitte, Prather, Rattliff, Ray, W. J. Reynolds, Rickert, Ruh, Schmidt, Sharpe, Stuart, Swinford, Tobin, Van Horn, Wenz, John E. White, Wible, Wright, Wyatt. Nays 20—Baker, H. Brown, Donnermeyer, Floyd, Huff, Hughes, Isler, Kleier, Lewis, Lindsay, McCann, McNamara, Mershon, Miller, Parish, Priddy, Siemens, West, Wheeler, Yocom.

HB 145 as amended was passed and the title agreed to.

Representative McBrayer moved that the vote by which **HB 145** as amended was passed be reconsidered and said motion be postponed indefinitely. Agreed.

Senate Message

Announcing passage of **SB 233** and **SB 295.**

Representative G. White announced he wished to vote "yea" on **HB 215.**

Representative Huff announced he wished to vote "yea" on **HB 623.**

Representative McBrayer moved that when the House adjourns, it do so until 1:00 p.m., March 16, 1970. Agreed.

HB 629 taken from Orders of the Day and ordered read at length for the third time. Representative McBrayer moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

On the roll call the vote was yeas 70—Alexander, Arnett, Baker, Blandford, Blume, Archie Brown, Edward G. Brown, Bruce, Carroll, Carter, Chapman, Clapp, Clarke, Conn, Curlin, James A. Davis, Deskins, Donnermeyer, Dorris, Durham, Floyd, Graves, Haney, L. T. Hardin, Head, Hinkle, Holloway, Huff, Isler, Keene, Keith, Kenton, King, Knuckles, Lewis, Lindsay, Lovins, McBrayer, McBride, McCann, McNamara, May, Mitchell, Murphy, Osborne, Parish, Paxton, Peak, Pollitte, Prather, Priddy, Rattliff, Reed, Russell Reynolds, W. J. Reynolds, Rickert, Ruh, Salyers, Sharpe, Siemens, Simmons, Swinford, Tobin, Van Horn, Wenz, West, Wheeler, Glenn White, Wible, Wright, Nays 0.

HB 629 was passed and the title agreed to.

Representative McBrayer moved that the vote by which **HB 629** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HCR 90 taken from Orders of the Day and ordered read at length for the third time. Representative Keene moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

On the roll call the vote was yeas 50—Alexander, Allen, Arnett, Blume, Blythe, Edward G. Brown, Bruce, Carroll, Carter, Chapman, Clarke, Collins, Curlin, DeMarcus, Donnermeyer, Freeman, L. T. Hardin, Hinkle, Holloway, Huff, Keene, Keith, Kenton, Kleier, Lewis, Lindsay, Lovins, McCann, McNamara, Mitchell, Nett, Osborne, Parish, Paxton, Peak, Pollitte, Prather, Ray, Reed, Russell Reynolds, Roberts, Schmidt, Stuart, Swinford, Tobin, Van Horn, Wells, Glenn White, Wible, Yocom. Nays 0.

HCR 90 was passed and the title agreed to.

Recess

Representative McBrayer moved that the House recess for a meeting of the Committee on Rules. Agreed.

The Speaker resumed the Chair.

Introduction of Bills and Resolutions

HB 746, by Representative DeMarcus: AN ACT relating to public records.

HB 747, by Representative Prather: AN ACT relating to state depositories.

HR 109, by Representative Swinford: A RESOLUTION directing the Legislative Research Commission to study the preservation of original records and documents in the State Land Office.

HJR 110, by Representatives Kenton, Conn, Chapman, Mershon, and Blume: A JOINT RESOLUTION instructing the Legislative Research Commission to investigate and study pollution of our environment caused by any state-owned or state-operated facilities.

HR 111, by Representatives Kleier, Yocom and Osborne: A RESOLUTION commending the Ancient Order of Hibernians, and proclaiming March 17 as "Hibernian Day".

HR 112, by Representatives Lindsay and Stuart: A RESOLUTION honoring Frank Camp.

Report of Committees

The Commitee on Judiciary reported **HB 619, HB 738** with Committee Amendment attached thereto, and **HB 649** with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 619, AN ACT relating to divorce.

Be it enacted by the General Assembly of the Commonweatlh of Kentucky:

Section 1. Subsection (5) of Section 403.020 of the Kentucky Revised Statutes is amended to read as follows:

(5) (a) A divorce may be granted to the sane spouse when either the husband or wife has become permanently and incurably insane; provided, that no divorce shall be granted under this subsection unless such permanently incurably insane person shall have been confined in an insane asylum, hospital or other similar institution for a period of not less than *an aggregate of three years out of the past six* [five successive] years prior to the filing of the petition for divorce, *including the six-month period immediately preceding the filing,* whether such period of time shall have been prior to or subsequent to June 19, 1946, or partly both, nor unless the court shall find from the testimony of two or more physicians competent in psychiatry that such insanity, in their opinion, is permanently incurable. Except that when the insane spouse has been committed upon the testimony of two doctors to an insane asylum, hospital or other similar institution operated within this state by the Veterans Administration, Public Health Service or other Federal agency and has been by said agency transferred to its asylum, hospital or other facility in another state and has been kept at said place or places of transfer for more than *an aggregate of three* [five] years and not restored to competency, said facts shall constitute sufficient proof of permanent insanity to authorize the granting of a divorce to the sane spouse.

(b) The petition shall be filed under oath, in the court having jurisdiction over divorce matters in either the county where the plaintiff resides or in the county where the institution is located in which the insane person is confined.

(c) Service of process under this subsection shall be made

as provided in Cr 4.04(3), relating to service of process upon persons of unsound mind.

(d) In cases arising under this subsection the court shall possess all powers which courts of equity now have, or which may hereafter be conferred upon them, relative to alimony, and custody and control and support of infant children of the parties. Where the plaintiff is the husband the court may, when necessary and circumstances warrant, require the plaintiff to pay alimony, support or maintenance for the benefit of said defendant and make provisions for the reasonable expense for the burial of said defendant, or it may require the plaintiff to give bond to the state of Kentucky, conditioned upon the payment by the plaintiff for the care and maintenance of said defendant during the remainder of her life and necessary funeral expenses. The court may, upon notice, modify or revoke any orders or decrees relating to the custody of infant children and their support and the support and maintenance of the defendant.

HB 738, AN ACT relating to motor vehicle operators licenses.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Subsection (1) of Section 186.560 of the Kentucky Revised Statutes is amended to read as follows:

(1) The department shall forthwith revoke the license of any operator of a motor vehicle upon receiving word of his conviction of any of the following offenses:

(a) Manslaughter resulting from the operation of a motor vehicle.

(b) Driving a vehicle while under the influence of intoxicating liquor or narcotic drugs. *Provided, however, that no license shall be revoked by the department and no judge shall require the surrender of a license until after the expiration of thirty days after any appeal which is being taken in the case or, if no appeal is taken, thirty days after the expiration of time for appeal.*

(c) Perjury or the making of a false affidavit under KRS 186.400 to 186.640 or any law requiring the registration of motor vehicles or regulating their operation on highways.

(d) Any felony in the commission of which a motor vehicle is used.

(e) Conviction or forfeiture of bail upon three charges of reckless driving within the preceding twelve months.

(f) Conviction of driving a motor vehicle involved in an accident and failing to stop and disclose his identity at the scene of the accident.

(g) Conviction of theft of a motor vehicle or any of its parts, including the conviction of any person under the age of eighteen years.

The Committee Amendment to **HB 738** is as follows:

Amend printed copy of House Bill 738 on page 1, line 12, by:
deleting, by bracketing, the following:
"any appeal which is being taken in the case"
and inserting in lieu thereof:
"a conviction"

HB 649, AN ACT relating to planning and zoning.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Section 100.281 of the Kentucky Revised Statutes is amended to read as follows:

As used in this chapter, unless the context otherwise requires:

(1) "Administrative Official" means any department, employe, or advisory, elected or appointed body which is authorized to administer any provision of the zoning regulation, subdivision regulations, and if delegated, any provision of any housing or building regulation or any other land use control regulation;

(2) "Board" means the board of adjustments unless the context indicates otherwise;

(3) "Citizen member" means any member of the planning commission or board of adjustments who is not an elected or appointed official or employe of the city or county;

(4) "Commission" means planning commission;

(5) "Conditional use" means a use which is essential to

or would promote the public health, safety, or welfare in one or more zones, but which would impair the integrity and character of the zone in which it is located, or in adjoining zones, unless restrictions on location, size, extent, and character of performance are imposed in addition to those imposed in the zoning regulation;

(6) "Conditional use permit" means legal authorization to undertake a conditional use, issued by the administrative official pursuant to authorization by the board of adjustments, consisting of two parts;

(a) A statement of the factual determination by the board of adjustments which justifies the issuance of the permit; and

(b) A statement of the specific conditions which must be met in order for the use to be permitted.

(7) "Dimensional variance" means a departure from the terms of the zoning regulation pertaining to height or width of structures and size of yards and open spaces, where such departure will not be contrary to the public interest, and where, owing to conditions peculiar to the property because of its size, shape or topography, and not as a result of the actions of the applicant, the literal enforcement of the zoning regulations would result in unnecessary and undue hardship;

(8) "Fiscal court" means the chief body of the county with legislative power, whether it is the fiscal court, county commissioners, or otherwise;

(9) "Housing or building regulation" means any regulation incorporating any housing, building or safety code, including, but not limited to such codes as plumbing, electrical, elevator, boiler, fire safety, and minimum housing, or any other regulation;

(10) "Legislative body" means the chief body of the city with legislative power, whether it is the board of aldermen, the general council, the common council, the city council, the board of commissioners, or otherwise; at times it also implies the county's fiscal court;

(11) "Mayor" means the chief elected official of the city whether the official designation of his office is mayor, chairman of the board of trustees, or otherwise;

(12) "Non-conforming use or structure" means an activity or a building, sign, structure or a portion thereof which lawfully existed before the adoption or amendment of the zoning regulation, but which does not conform to all of the regulations contained in the zoning regulation which pertain to the zone in which it is located;

(13) "Planning operations" means the formulating of plans for the physical development and social and economic well-being of a planning unit, and the formulating of proposals for means of implementing the plans;

(14) "Planning unit" means any city or county, or any combination of cities, counties, or parts of counties engaged in planning operations;

(15) "Plat" means the map of a subdivision;

(16) "Political subdivision" means any city or county;

(17) "Regulation" means any enactment by the legislative body of a city or county whether it is an ordinance, resolution, or an order and shall include regulations for the subdivision of land adopted by the planning commission;

(18) "Several" means two or more;

(19) "Public facility" means any use of land whether publicly or privately owned for transportation, utilities, or communications, or for the benefit of the general public, including, but not limited to libraries, streets, schools, fire or police stations, county buildings, municipal buildings, recreational centers including parks, and cemeteries;

(20) "Street" means any vehicular way;

(21) "Structure" means anything constructed or made, the use of which requires permanent location in or on the ground or attachment to something having a permanent location in or on the ground, including buildings and signs;

(22) "Subdivision" means the division of a parcel of land into two or more lots or parcels for the purpose, whether immediate or future, of sale, lease, or building development, or if a new street is involved, any division of a parcel of land; providing that a division of land for agricultural purposes into lots

of parcels of five acres or more [and not involving a new street] shall not be deemed a subdivision. The term includes re-subdivision and when appropriate to the context, shall relate to the process of subdivision or to the land subdivided;

(23) "Unit" means planning unit.

Section 2. Section 100.277 of the Kentucky Revised Statutes is amended to read as follows:

All subdivision of land shall receive commission approval;

(1) No person or his agent shall subdivide any land, before securing the approval of the planning commission of a plat designating the areas to be subdivided, and no plat of a subdivision of land within the planning unit jurisdiction shall be recorded by the county clerk until the plat has been approved by the commission and the approval entered thereon in writing by the chairman, secretary, or other duly authorized officer of the commission.

(2) No person owning land composing a subdivision, or his agent, shall transfer or sell or agree to sell any lot or parcel of land located within a subdivision by reference to, or by exhibition, or by any other use of a plat of such subdivision, before such plat has received final approval of the planning commission and has been recorded. [Any such instrument of transfer, sale or contract shall be void and shall not be subject to be recorded, but all rights of such purchaser to damages are hereby preserved.] The description of such lot or parcel by metes and bounds in any contract or instrument of transfer or other document used in the process of selling or transmitting same shall not exempt the person attempting to transfer from penalties provided or deprive the purchaser of any rights or remedies he may otherwise have.

(3) Any street or other public ground which has been dedicated shall not be accepted by the legislative body until it has received recommendations from the planning commission.

The Committee on Agriculture and Natural Resources reported **SB 73, SB 267** with Committee Amendment attached thereto, and **HR 105** with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

SB 73, AN ACT relating to mining.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Section 351.175 of the Kentucky Revised Statutes is amended to read as follows:

(1) Within forty-five days after January 1, 1953, and of each year thereafter, the owner, operator, or lessee of each mine shall procure from the Department a license to operate such a mine, and such license shall not be transferable. Any owner, operator or lessee who assumes control of a mine, opens a new mine or re-opens an abandoned mine during any calendar year shall procure such license before mining operations are begun.

(2) The license shall be in such printed form as the *Commissioner* [chief] may prescribe and when issued shall be kept posted at a conspicuous place near the main entrance of the mine.

(3) Requests for such license shall be made to the Department, and such requests shall be accompanied by a post office money order or cashier's check drawn in favor of the *State Treasurer* in the amount of *twenty-five* [fifteen] dollars for each mine. When the annual report of the operator and the annual mine map, as required by KRS 351.170 and 352.450, *together with a certification from the Commissioner of Labor that the applicant, except an applicant for a mine license who employs fewer than ten employes, for license has presented positive proof of compliance with the provisions of Chapter 342 of the Kentucky Revised Statutes,* are properly submitted to the Department, the license shall be issued. The *Commissioner* [chief] or his accredited agents shall have the authority to extend the time for filing of the map *not to exceed an additional forty-five days. Upon receipt of withdrawal of the certification of the Commissioner of Labor the Department shall forthwith revoke any license hereunder issued. Revocation of said license shall be an administrative function of the Department of Mines and Minerals. Appeal of said administrative function shall lie in the Fayette Circuit Court.*

(4) Any owner, operator or lessee operating a mine and who fails to obtain his license as required by this section shall be guilty of a misdemeanor, and shall be fined not less than

one hundred [twenty-five] dollars nor more than *three* [two] hundred dollars at the discretion of the court. Each day the mine is operated without a license constitutes a separate offense. *Jurisdiction for such offenses shall lie in the Fayette Circuit Court.*

Section 2. A new section of Chapter 351 of the Kentucky Revised Statutes is created to read as follows:

(1) There is hereby created a Kentucky Coal Research Board, its purpose being to decide upon and direct research of benefit to the coal industry, particularly in the areas of health and safety. The research shall be done within the Commonwealth of Kentucky.

(2) The board shall consist of five members, appointed by the Governor, and the Commissioner of the Department of Mines and Minerals as Chairman. The Governor shall appoint two members who represent the coal mining industry, two members who represent the workers of the coal mining industry, and one member who represents the general public.

(3) One member of the board shall serve for one year, one member shall serve for two years, one member shall serve for three years, and two members shall serve for four years, from the date of their appointment and qualification, the term of each to be designated by the Governor. At the expiration of the term of office of any board member, the Governor shall appoint a successor for a term of four years. The Governor shall fill vacancies in office by appointment for the remainder of the term in like manner. Members of the board shall serve the duration of their terms and until their successors are appointed and qualified.

(4) The members of the board shall receive no compensation for their services, but may be reimbursed for their reasonable and necessary expenses incurred in connection with their board activities.

(5) The board shall hold meeting at such places and times as are deemed necessary by the board to discharge its duties. Three members shall constitute a quorum for the transaction of business.

SB 267, AN ACT relating to rabies control.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Section 258.005 of the Kentucky Revised Statutes is amended to read as follows:

As used in KRS 258.005 to 258.085 and subsections (1) and (2) of 258.990, unless the context requires otherwise:

(1) "Dog" means any member of the canine family, *four* [six] months of age or over;

(2) *"Carnivorous pet" means any flesh eating animal with canine teeth, fourth months of age or over;*

(3) [(2)] "Owner", when applied to the proprietorship of a dog *or other carnivorous pet,* includes every person having a right of property in the dog *or other carnivorous pet* and every person who keeps or harbors the dog *or carnivorous pet* or has it in his care, or who permits it to remain on or about premises owned or occupied by him;

(4) [(3)] "Veterinarian" means a licensed practitioner of veterinary medicine, accredited by the Bureau of Animal Industry, United States Department of Agriculture;

(5) [(4)] "Qualified person" means a person granted a permit by the State Board of Health to vaccinate animals against rabies; and may include owners or operators of licensed kennels;

(6) [(5)] "Vaccination" means the injection by a veterinarian or other qualified person of vaccine approved by, and administered in accordance with the regulations of the State Board of Health.

Section 2. Section 258.015 of the Kentucky Revised Statutes is amended to read as follows:

On or before the *first day of July, 1970,* [first day of July, 1954] and of each year thereafter, every owner shall have his dog *or other carnivorous pet* vaccinated against rabies. The veterinarian or qualified person who vaccinates a dog *or other carnivorous pet* shall issue to the owner thereof a vaccination certificate on a form prescribed and supplied by the State Department of Health. The vaccination certificate shall be prepared and issued in triplicate, one copy to be retained by the issuing veter-

inarian or other qualified person, one copy to be given to the owner of the dog *or other carnivorous pet* vaccinated, and one copy to be forwarded by the veterinarian or qualified person to the local health department, or, if none is maintained, to the State Department of Health. Each certificate shall bear the name and address of the veterinarian or qualified person who *issues* [issued] it and [a serial number] *the type vaccine used.* The veterinarian or qualified person shall also furnish each owner with a metal tag bearing *a serial number* [the certificate number] and the year of vaccination. *The tag number shall be recorded on the certificate.* The tag may bear the name of the veterinarian or qualified person issuing it. It shall be affixed by the owner to a collar or harness furnished by him and it shall be worn by the *animal* [dog] for which the certificate was issued. No one except the owner or his duly authorized agent shall remove the collar with the attached tag from the *animal* [dog].

Section 3. Section 258.025 of the Kentucky Revised Statutes is amended to read as follows:

The State Board of Health, in its sound discretion may by such rules and regulations as it deems advisable:

(1) Exempt from the provisions of KRS 258.015 the owners of dogs *or other carnivorous pets* in any county or counties in which the incident of rabies decreases sufficiently to warrant this action;

(2) Extend the period required for re-vaccination if a vaccine is developed which will give longer periods of immunity;

(3) Exempt from the provisions of KRS 258.015 the owners of dogs *and other carnivorous pets* which are brought into this state for a period not to exceed 30 days.

Section 4. Section 258.035 of the Kentucky Revised Statutes is amended to read as follows:

Any owner who has had his dog *or other carnivorous pet* vaccinated against rabies in another state by the proper authority therein shall not be required to have such dog *or other carnivorous pet* re-vaccinated when brought into this state provided the requirements of such state under which the vaccination was made were of a standard not lower than those required in this

state and provided further that any *animal* [dog] wears a tag affixed to his collar or harness bearing the date of such vaccination, *and that any other carnivorous pet either wear such a tag affixed to his collar or harness, or if a collar or harness is not worn, that a certificate of vaccination be presented bearing the date of such vaccination.* One year after the date of such vaccination such dog *or other carnivorous pet* must be re-vaccinated unless provided otherwise by the rules and regulations of the State Board of Health. The State Board of Health may make rules and regulations governing the matter of reciprocity with other states.

Section 5. Section 258.045 of the Kentucky Revised Statutes is amended to read as follows:

The State Department of Health may contract with local veterinary medical associations to vaccinate dogs or animals at scheduled mass immunization clinics at fees not in excess *of those prescribed by the local veterinary medical association or the Kentucky Veterinary Medical Association, whichever is greater,* [of one dollar and fifty cents per animal vaccinated] to be paid by the owner to the *veterinarian vaccinating the dog or other animal;* [State Department of Health] however, if the services of a veterinarian are not available, the State Department of Health may contract with other qualified persons. *If persons other than a veterinarian render the services, the fees collected* [Fees so collected] shall be paid into the State Treasury and credited to a trust and agency fund to be used in defraying the cost and expenses of administering KRS 258.005 to 258.085 and subsections (1) and (2) of KRS 258.990.

Section 6. Section 258.055 of the Kentucky Revised Statutes is amended to read as follows:

Whenever a local board of health has reason to believe or has been notified by the State Department of Health that there is danger that rabies may spread within the county or any portion thereof, the board shall publish a notice requiring owners of dogs, or other specified animals in the area designated to confine the animals for such periods as may be necessary to prevent the spread of rabies. If it is deemed advisable in the interest of public health, the local board of health shall order all dogs *and other carnivorous pets* in the area re-vaccinated against rabies and if the local board

fails or neglects to do so, the State Department of Health may order the re-vaccination of all dogs or other animals in the area except animals that have been previously vaccinated within the past six months under the provisions of KRS 258.005 to 258.085. The State Department of Health may aid the local health department in the execution of such emergency vaccinations.

Section 7. Section 258.085 of the Kentucky Revised Statutes is amended to read as follows:

A health officer or his agent shall have the authority to quarantine for a period not to exceed ninety days any animal bitten by another animal known or suspected to have rabies, and to quarantine for a period not to exceed fourteen days any animal which has bitten a human being or which exhibits symptoms of rabies. An animal so quarantined may be confined by the health officer at a designated place at the owner's expense. Whenever a dog *or other animal* dies with rabies or is suspected of having died with rabies, or is destroyed because of having been suspected of being rabid, the owner thereof, whether the dog *or other animal* had been previously quarantined or not, shall at his own expense send the head of such dog *or other animal* to a laboratory approved by the State Board of Health in the manner prescribed by the rules and regulations of the State Board of Health.

Section 8. Section 258.990 of the Kentucky Revised Statutes is amended to read as follows:

(1) Any person who violates KRS 258.015, 258.035, 258.055, 258.065 or 258.085, shall be fined not less than $10.00 nor more than $100.00. Each day of violation shall constitute a separate offense.

(2) The owner of any dog *or other carnivorous pet* not vaccinated according to the provisions of this chapter shall be liable to pay all damages for personal injuries resulting from the bite of such dog *or other carnivorous pet*, if rabid.

(3) Any person violating or failing or refusing to comply with KRS 258.095 to 258.365 and subsections (3) and (4) of this section shall, upon conviction, be fined not less than $5.00 and not more than $100.00 or be imprisoned for not less than five nor more than sixty days, or both so fined and imprisoned.

(4) All fines collected under subsection (3) of this section shall after costs and commissions have been deducted, be paid to the department to be credited to the Livestock Fund.

The Committee Amendment to **SB 267** is as follows:

Amend printed copy of Senate Bill 267 on page 4, line 19, by: deleting the words *",whichever is greater,"*

HCR 105, A CONCURRENT RESOLUTION requesting and petitioning the United States Office of Economic Opportunity to establish a horticultural pilot project in the Kentucky counties of Johnson and Martin.

WHEREAS, The counties of Johnson and Martin have a pressing need for an increased farm income, Martin being near the bottom in this category; and

WHEREAS, There are an estimated 19,000 acres in these two counties, for the most part mountainous but adaptable to horticultural purposes; and

WHEREAS, Due to the limited acreage available for tillable crops, it is important that this land be devoted to high income crops; and

WHEREAS, Included in the desirable crops suited to the climate and terrains are apples, strawberries and grapes; and

WHEREAS, Many land owners and the county extension agents in these counties have expressed a desire to participate in a pilot project of extensive plantings; and

WHEREAS, Federal funds, through the Office of Economic Opportunity, could be advantageously applied to a pilot project for Johnson and Martin counties toward establishing a fruit industry there;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the Commonwealth of Kentucky, the Senate concurring therein:

Section 1. That the Office of Economic Opportunity of the United States be and it hereby is requested to establish in the Kentucky counties of Johnson and Martin a horticultural project

emphasizing high income crops such as apples, strawberries and grapes.

Section 2. That a copy of this resolution be sent to Mr. Donald Rumsfeld, Director, Office of Economic Opportunity, 1200 19th Street, N.W., Washington, D.C. 20506.

The Committee on Health and Welfare reported **HB 700, SB 276, SB 226** and **SB 274** with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 700, AN ACT relating to podiatry.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Section 311.450 of the Kentucky Revised Statutes is amended to read as follows:

(1) Every license issued for the practice of podiatry shall expire on June 30 following the date of issuance unless sooner revoked and cancelled.

(2) On or before June 1 of each year, the board shall send notices to all licensed podiatrists in this state, at their last known addresses, advising them that the annual license renewal fee is due on July 1 of each year. Every registered podiatrist shall renew his license on or before July 1 of each year by the payment to the board of an annual license renewal fee *which shall be a reasonable fee set by regulation of the board and upon submission of a statement of compliance with the continuing education regulations of the board* [of ten dollars]. If such renewal fee is not paid *or such statement of compliance is not submitted* on or before July 1, the board shall notify the delinquent licensee by mail at his last known address that such fee *and statement* [is] *are past* due [and unpaid] and that a delinquent penalty of twenty-five dollars is assessed, in addition to the renewal fee [of ten dollars,] and *the statement of compliance and* must be paid *and the statement submitted* on or before January 1. If such fees, [and] penalties *and statement* are not *submitted* [paid] by January 1, it shall be the duty of the board to suspend or revoke the license for nonpayment of the annual renewal and

delinquent fees *or for failure to submit the statement of compliance* for the current year.

(3) All fees collected under the provisions of KRS 311.380 to 311.510, or the rules and regulations adopted pursuant thereto, shall be paid into the State Treasury, and credited to a trust and agency fund to be used in defraying the costs and expenses in the administration of KRS 311.380 to 311.510 including, but not limited to, salaries and necessary travel expenses. No part of this fund shall revert to the general funds of this Commonwealth.

Section 2. A new section of Chapter 311 of the Kentucky Revised Statutes is created to read as follows:

The State Board of Podiatry is authorized in its sound discretion to:

(1) Enter into reciprocal agreements with podiatry examining boards of other states, having qualifications and standards at least as high as those of this state, providing for reciprocal licensure without further examination of persons who have been duly licensed upon written examination. Approval of such agreements by the Governor, or any other officer or agency of this state, shall not be required.

(2) Issue podiatry licenses by reciprocity or endorsement, and without further examination, to persons who have been duly licensed upon written examination in another state having qualifications and standards at least as high as those of this state, or who have successfully passed an examination conducted by the National Board of Podiatry Examiners.

SB 276, AN ACT relating to water pollution control.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Section 224.030 of the Kentucky Revised Statutes is amended to read as follows:

(1) For the purpose of carrying out the provisions of KRS 224.010 to 224.060, 224.080 and 224.100, there is hereby created in the Department of Health a Water Pollution Control Commission.

(2) The commission shall consist of the Commissioner

of Health, the Commissioner of Natural Resources, the Attorney General, the Commissioner of the Department of Fish and Wildlife Resources, the Director of Reclamation, the Commissioner of Mines and Minerals, the Commissioner of Commerce, and three citizens of the Commonwealth, *and three members of the general public,* to be appointed for terms of four years each by the Governor. One citizen member shall be selected from groups representative of municipalities, one from groups representative of industrial management, and one from either groups representative of municipalities or groups representative of industrial management. *The three members of the general public shall be selected from that segment of the public which has no connection, direct or indirect, with any provider of water pollution control services, equipment or supplies or with any trade or industry which is directly regulated by the Kentucky Water Pollution Control Commission or with any person or establishment producing sewage or industrial waste or owning, operating or utilizing a sewer system, treatment works, disposal system or outlet.* Vacancies shall be filled for the unexpired portion of any term in the same manner as an original appointment. Each of the officers of the Commonwealth hereby made a member of the commission may, by written order filed with the secretary of the commission, designate a deputy or other representative in his department to serve in his stead and to perform his duties as a member of the commission in his absence. Such designation shall be deemed temporary only and shall not affect the merit system or retirement rights of any person so designated.

(3) No salary or other compensation shall be allowed any member of the commission but each member may be reimbursed for actual and necessary expenses incurred in the performance of his official duties.

(4) The commission shall select one of its members as chairman and another member as vice-chairman at its first regular meeting in each calendar year. The Commissioner of Health shall be the secretary of the commission, and may employ an executive director and such technical and other personnel as may be required in order to carry out the provisions of KRS 224.010 to 224.060, 224.080 and 224.100 and the policies of the commission, and may define their powers and duties and fix their compensation. During the interim between meetings, the Commis-

sioner of Health may perform in the name of the commission such functions and duties and may exercise such authority of the commission as the commission may delegate to him, or he may delegate such functions, duties, and authority to the executive director.

(5) The commission may employ, compensate and prescribe the powers and duties of such officers, employes, and consultants, in accordance with the laws of this Commonwealth, as may be necessary to carry out the provisions of KRS 224.030, 224.050, 224.070 to 224.090, 224.110 and 224.120 subject to the approval of the Governor as required in KRS Ch. 12.

(6) The commission shall hold regular meetings at least once in every two months, the time and place of which shall be determined by the commission. Special meetings may be called by the chairman or by three members of the commission by delivery to the office of each member of the commission of a written notice thereof at least five days in advance of the date of any such meeting. Five members of the commission shall constitute a quorum at any meeting. The commission shall establish bylaws for the conduct of its meeting and shall keep an accurate record of all its proceedings.

SB 226, AN ACT relating to physical therapy.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 327.010 is amended to read as follows:

As used in this chapter, unless the context otherwise requires:

(1) "Physical Therapy" means the treatment of any bodily or mental condition of any person by the use of physical, chemical or mechanical agents, the properties of heat, light, water, electricity, massage, *sound,* and therapeutic exercises, *including rehabilitation procedures,* all under the prescription of a licensed medical doctor *or dentist.* The use of roentgen rays and radium for diagnostic or therapeutic purposes, the use of electricity for surgical purposes, including cauterization and colonic irrigations are not authorized under the term "physical therapy" as used in this chapter.

(2) "Physical Therapist" means a *professional* person who is licensed to practice physical therapy.

(3) "Board" means the State Board of Physical Therapy established by KRS 327.030.

(4) "Prescription" means the designation of physical therapy treatment by a medical doctor or dentist and the instruction therefor and may be as detailed or as general as the medical doctor or dentist in his sound discretion deems necessary in the particular case.

Section 2. KRS 327.020 is amended to read:

(1) No person shall hold himself out as a physical therapist or in any manner represent himself as a physical therapist in this state unless he is [the holder of a valid and unrevoked license issued by the State Board of Physical Therapy.] *licensed in accordance with the provisions of this chapter.* Provided, however that nothing. contained in this chapter shall apply to the practice of chiropractic or prohibit any person licensed in this state according to law, from carrying out the therapy or practice for which he is duly licensed. Provided further that persons regularly employed by the United States or in mental hospitals operated by the Commonwealth of Kentucky shall be exempted from the provisions of this chapter while engaged in such employment.

(2) A licensed physical therapist may hold himself out as a "Physical Therapist" or "Licensed Physical Therapist" and may use the abbreviations "P.T." or "L.P.T." as a part of or immediately following his name. in connection with his profession. No person who is not the holder of a *physical therapist* license from the [State] Board [of Physical Therapy] shall so use the terms "Physical Therapist" or "Licensed Physical Therapist" or the abbreviation "L.P.T." and no person other than licensees of said Board or physio-therapists licensed by the State Board of Health shall so use the abbreviation "P.T."

Section 3. KRS 327.030 is amended to read:

There is hereby established a State Board of Physical Therapy which shall consist of three members who shall be appointed by the Governor from a list of five persons submitted by the

Kentucky Chapter of the American Physical Therapy Association, all of whom shall be residents of Kentucky and shall have engaged in the practice of physical therapy within this state for at least two years. Members of the first Board shall be appointed for terms of one, two, and three years, respectively. Subsequent appointments shall be for a term of [two] *three* years and until their successors are appointed and qualify. Vacancies shall be filled by the Governor in like manner from a list of five submitted by the Kentucky Chapter of the American Physical Therapy Association. The Board shall annually elect a chairman and a secretary.

Section 4. KRS 327.040 is amended to read:

(1) It shall be the duty of the State Board of Physical Therapy, to receive applications from persons desiring to become physical therapists and to determine whether said applicants meet the qualifications and standards required by this chapter of all physical therapists. The Board shall also be charged with enforecement of the provisions of this chapter.

(2) The [b] *B*oard is hereby constituted a body corporate, with power to sue and be sued, to institute criminal proceedings in the name of the Commonwealth against violators of this chapter, or to institute civil proceedings to enjoin violation thereof, or both. It shall investigate every supposed violation of this chapter coming to its notice and shall take such action as it may deem to be appropriate. It shall be the duty of the Attorney General, the Commonwealth's attorneys and the county attorneys to assist the Board in prosecuting all violations of this chapter.

(3) The [b] *B*oard shall meet at least once each quarter at such place in this state as may be selected by the Board. Two members of the Board shall constitute a quorum for the transaction of business. All meetings shall be held at the call of the chairman upon not less than ten days' written notice, unless notice shall be waived. The presence of any member at any such meeting of the Board shall constitute a waiver of notice thereof by such member.

(4) The [b] *B*oard may administer oaths and compel the attendance of witnesses to give testimony as to any matters pertaining to its duties. It shall keep a minute book containing a

record of all meetings of the Board, and a register of all persons licensed under this chapter. This register shall show the name of every living physical therapist in this state, his last known business and residence address, and the date and number of his license.

(5) The [b] *Board* shall adopt a seal which shall be affixed to every license granted by it. It may adopt and enforce reasonable regulations for the effectuation of the purposes of this chapter, which regulation when properly filed with the Legislative Research Commission, shall have the force and effect of law.

(6) The Board shall have the right to regulate physical therapists' assistants and may promulgate reasonable rules and regulations regarding the certification thereof, limitations of activities thereof, the supervision thereof, and the educational qualifications therefor, provided such rules and regulations are in accordance with Chapter 13 of the Kentucky Revised Statutes.

Section 5. KRS 327.050 is amended to read:

(1) To be eligible for licensure by the [b] *Board* as a physical therapist, an applicant must [be a high school graduate] *have a high school education or its equivalent as determined by the [b] Board, be* of good moral character and a graduate of an accredited school of physical therapy approved by the [b] *Board*. No school shall be approved unless it has been accredited or approved by the Council on Medical Education [and Hospitals] of the American Medical Association, or the American Physical Therapy Association.

(2) Any person who possesses the aforementioned qualifications and who desires to be examined for licensure as a physical therapist in Kentucky shall make written application therefor to the [b] *Board*, on forms to be provided by the [b] *Board*, which shall be accompanied by an application fee [of twenty-five dollars] *determined by the Board but not to exceed $75.00,* no part of which shall be returned. If it appears from said application that the applicant possesses the qualifications required by this chapter, such applicant shall be admitted to the next scheduled [written] examination in which his knowledge of anatomy, neuro-anatomy, kinesiology physiology, pathology, psychology, neurology, medical ethics, technical procedures in the practice

of physical therapy and such other subjects as the [b] *Board* may determine to be necessary, shall be tested.

(3) Examinations shall be held *within the state at least once a year at such time and place as the Board shall determine.* [twice a year, in October and April, at Frankfort.] Applicants who are admitted to the [written] examination, may be granted temporary licenses which shall be valid until said applicants' examinations are graded and they are notified by the [b] *Board* of their score thereon. All applicants who receive *a passing score as determined by the Board* [an average score of not less than seventy-five percentage points on the entire examination and not less than sixty-five percentage points on each subject in which examined] shall be licensed as physical therapists and furnished with a certificate attesting thereto. This license shall be automatically renewed annually, without further examination, upon payment on or before January 31, of each year, of a renewal fee to be fixed by the [b] *Board* in amount not to exceed ten dollars. Licenses which are not renewed by that date shall lapse, except that the [b] *Board* may reinstate a lapsed license upon payment of the renewal fee. Applicants who fail to receive a passing score on their examination shall not be licensed; but the [b] *Board* may, by regulation, permit applicants to take the examination more than once.

Section 6. KRS 327.060 is amended to read:

[(1) The State Board of Physical Therapy may register as a physical therapist and may furnish a license without examination to any person who applies for registration on or before December 31, 1958, and who at the time of the passage of this chapter, is practicing physical therapy in this state, and who possesses the qualifications required by this chapter of all applicants for licensure as physical therapists in this state.]

[(2)] (1) The [b] *Board* may enter into reciprocity agreements *or endorsements* with other states or foreign countries, providing for the [mutual] recognition of persons licensed, [or] registered, *or certified* in Kentucky and such other states or foreign countries, if the standards of such other state or foreign country are determined by the [b] *Board* to be as high as those of this state.

[(3) All applications for licensure without examination shall be accompanied by an application fee of twenty-five dollars, no part of which shall be returned.]

Section 7. KRS 327.070 is amended to read:

The [b] *B*oard, after due notice and hearing may refuse to license any applicant, and may refuse to renew the license of any licensed person, and may suspend or revoke the license of any licensed person:

(1) Who indulges in excessive use of alcoholic beverages or who is addicted to the use of narcotic drugs;

(2) Who has been convicted of violating any state or Federal narcotic law;

(3) Who is, in the judgment of the Board, guilty of immoral or unprofessional conduct;

(4) Who has been convicted of a felony or any crime involving moral turpitude;

(5) Who has obtained or attempted to obtain a license by fraud or material misrepresentation or who has made any other false statement to the [b] *B*oard.

(6) Who is guilty, in the judgment of the [b] *B*oard, of gross negligence in his practice of physical therapy;

(7) Who has been declared [insane] *mentally imcompetent* by a court of competent jurisdiction and has not thereafter been declared lawfully sane;

(8) Who has treated or undertaken to treat human ailments otherwise than by physical therapy as defined in this chapter, or who has undertaken to practice independent of the prescription, direction or supervision of a licensed medical doctor [,] *or dentist.*

(9) Who has failed or refused to obey any lawful order or regulation of the Board.

Section 8. KRS 327.080 is amended to read:

All fees collected by the Board shall be paid into the State Treasury and credited to an account for the payment of all law-

ful expenses of the Board. Each member of the [b] *B*oard shall be entitled to a per diem of [ten] thirty dollars and his reasonable expenses for attending each meeting of the Board, and the Board may employ such [clerical assistance] *personnel* and purchase such materials and supplies as it may deem necessary for the proper discharge of its duties, all of which shall be paid for out of the account hereby created, on vouchers certified by the chairman.

SB 274, AN ACT relating to control of Alcohol and Drug Abuse.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. A new section of Chapter 222 of the Kentucky Revised Statutes is created to read as follows:

(1) Involuntary hospitalization of the alcoholic as defined in KRS 222.110 (2) shall take place by the same procedures as hospitalization of the mentally ill as provided in KRS Chapters 202, 203 and 210.

(2) All rights guaranteed by KRS Chapters 202, 230 and 210 to mentally ill persons shall be guaranteed to the alcoholic.

(3) Records pertaining to an alcoholic shall be treated in accordance with KRS 210.235.

Section 2. Section 222.110 of the Kentucky Revised Statutes is amended to read as follows:

As used in *this chapter* [KRS 222.105 to 222.195] unless the context otherwise requires:

(1) "Alcoholism" means the abnormal condition which the effect of alcohol produces in a person who is an alcoholic;

(2) "Alcoholic" means any person who chronically and habitually uses alcoholic beverages to the extent that he loses the power of self-control with respect to the use of alcoholic beverages; or any person who chronically and habitually uses alcoholic beverages to the extent that he becomes a menace to the public morals, health, safety or welfare of the members of society in general.

Section 3. Section 222.020 of the Kentucky Revised Statutes is amended to read as follows:

(1) There is hereby created a commission to be hereafter known as the Kentucky Commission on Alcohol Problems.

(2) The commission shall consist of nine members with an interest in and knowledge of the alcohol problem, said members to be appointed by the Governor. The members shall qualify by having professional, research or personal experience with alcohol problems. At least two of the nine members shall be doctors, and one of the doctors shall be a psychiatrist. Three members shall be appointed for a term of one year, three members shall be appointed for a term of two years and three members shall be appointed for a term of three years. At the expiration of these terms appointments shall be for terms of four years. Appointments shall be made by the Governor to fill any existing vacancies. Members of the commission shall serve without pay, but shall receive their actual and necessary expenses incurred while on the business of the commission. The commission shall meet at least once every three months; the commission shall be attached to the *Human Resources Commission* [Department of Mental Health] for administrative purposes.

(3) The duties of the commission shall be to advise the *Human Resources Commission* [Department of Mental Health] on all matters relating to alcohol problems and to advise and assist *the Department of Mental Health and* the Interagency Council on Alcohol Problems with *their* [its] comprehensive *programs* [program]. The scope of these activities shall include but not be limited to:

(a) Assist community mental health center alcohol coordinators and other experienced personnel throughout the state to provide in-service training for classroom teachers who will teach elementary and secondary classes on the nature and effect of the use of beverage alcohol;

(b) Encourage and assist universities and colleges in this state who give degrees or have major fields of study in social work to include courses examining alcohol-related problems;

(c) Encourage and assist universities and colleges in this state who give degrees or have major fields of study in education

to include courses preparing elementary and secondary teachers to most effectively present the nature and effect of the use of beverage alcohol;

(d) Encourage the Department of Labor and labor organizations to establish adult education courses on alcohol;

(e) Stimulate community interest in alcohol-related problems through community center activities, churches, programs in industry, the news media, or by any other appropriate activity. [;]

[(f) Cooperate with the Department of Personnel in the establishment of qualifications and in-service training programs for social workers or other state employes whose employment may bring them into contract with alcohol-related problems; and]

[(g) Formulate consistent terminology and definitions for alcohol-related problems for data analysis purposes by agencies of this state.]

(4) The commission may invite the Kentucky *Commission on Children and Youth* [Juvenile Delinquency Prevention and Youth Development Foundation, Inc.] to appoint a committee of three young people to assist the commission in planning youth alcohol education programs. The members of the youth committee may be paid actual expenses while serving with the commission.

Section 4. Sections 222.120, 222.130, 222.140, 222.150, 222.160, 222.170, 222.180, 222.190, 222.195 of the Kentucky Revised Statutes are repealed.

Section 5. Section 217.725 of the Kentucky Revised Statutes is amended to read as follows:

As used in KRS 217.721 to 217.785 and 217.995 the term "dangerous drug" means:

(1) Any drug which contains: (a) barbituric acid or derivatives of barbituric acid; or (b) salts of barbituric acid or salts of derivatives of barbituric acid; except those compounds, mixtures, and preparations specifically exempted by regulation of the State Board of Health.

(2) Any drug which contains: (a) amphetamine or any of its optical isomers; (b) any salt of amphetamine or any salt of an optical isomer of amphetamine; (c) methamphetamine or

any of its optical isomers or any salt of methamphetamine or any salts of optical isomers of methamphetamine; (d) mephentermine and its salts; (e) phenmetrazine and its salts; except those compounds, mixtures, and preparations specifically exempted by regulation of the State Board of Health.

(3) Any drug which contains: (a) LSD (d-Lysergic acid diethylamide and its salts); (b) Mescaline (3, 4, 5 trimethoxyphenylethylamine and its salts); (c) Peyote (Lophophora Williamsii, Lophophra lewinii); (d) Psilocybin (Psilcoybemexicana); (e) Psilocin (Psilocoybe mexicana); (f) DMT N, N, -dimethyltryptamine and its salts); (g) STP (4-methyl 2, 5 dimethoxy alpha methyl phenethylamine and its salts); except those compounds, mixtures, and preparations specifically exempted by regulation of the State Board of Health.

(4) Any drug which contains cannabis or tetrahydrocannabinols. "Cannabis" includes all parts of the plant Cannabis sativa L., whether growing or not; the seeds thereof; the resin extracted from any part of such plant; and every compound, manufacture, salt, derivative, mixture, or preparation of such plant, its seeds, or resin; but not the mature stalks of such plants, fiber produced from such stalks, oil or cake made from the seeds of such plant, any other compound, manufacture, salt, derivative, mixture, or preparation of such mature stalks—(except the resin extracted therefrom), fiber, oil, or cake, or the sterilized seed of such plant which is incapable of germination. Tetrahydrocannabinols include all synthetic forms of cannabis.

(5)[4] Any drug which contains any quantity of substance which has been designated by regulation of the State Board of Health as having a potential for abuse because of its depressant or stimulant effect on the central nervous system or its hallucinogenic effect; except that the board shall not designate under this law any substance that is a narcotic drug as defined or designated in the Kentucky Uniform Narcotic Drug Act or the regulations promulgated thereunder.

Section 6. Section 217.731 of the Kentucky Revised Statutes is amended to read as follows:

(1) No person shall possess any dangerous drug [except as authorized in KRS 217.721 to 217.785 and 217.995.]

(a) for his own use except as authorized in KRS 217.721 to 217.785 and 217.995.

(b) for purposes of sale or other disposal to another person except as authorized in KRS 217.721 to 217.785 and 217.995.

(2) No person shall manufacture, sell, dispense, prescribe, or administer any dangerous drug except as authorized in KRS 217.721 to 217.785 and 217.995.

(3) (a) No person shall obtain or attempt to obtain a dangerous drug, or procure or attempt to procure the administration of a dangerous drug by fraud, deceit, misrepresentation, or subterfuge or by the forgery or alteration of a prescription, or by the concealment of a material fact, or by the use of a false name or the giving of a false address.

(b) No person shall willfully make a false statement regarding any prescription, order, report, or record required by KRS 217.721 to 217.785 and 217.995.

(c) No person shall, for the purpose of obtaining a dangerous drug, falsely assume the title of or represent himself to be a manufacturer, wholesaler, distributor, repacker, pharmacist, practitioner, or other authorized person.

(d) No person shall make or utter any false or forged prescription.

(e) No person shall affix any false or forged label to a package or receptacle containing any dangerous drug.

(4) No person shall bring into, or cause to be brought into, or possess, use, or sell, upon the premises of any jail or penal institution within the Commonwealth of Kentucky any dangerous drug in violation of KRS 217.721 to 217.785 and 217.995.

(5) No person shall possess, manufacture, sell, dispense, prescribe or administer any counterfeit drug.

Section 7. Section 217.995 of the Kentucky Revised Statutes is amended to read as follows:

(1) Any person who violates any provision of subsection (2), (3), (4), and (5) of KRS 217.731 *or who possesses any dangerous drug for the purpose of sale or other disposal to another person in violation of subsection (1) (b) of KRS 217.731* shall be

guilty of a felony and shall be punished by confinement in the penitentiary for not [less than two years nor] more than five years or by a fine of not [less than $1,000 nor] more than $5,000 or both. *Subsequent offenses shall be punished by confinement in the penitentiary for not more than 10 years or by a fine of not more than $10,000 or both.*

(2) Any person who is at least 18 years of age who violates KRS 217.731 (2) by selling, dispensing, prescribing or administering any dangerous drug to a person under eighteen years of age who is at least three years his junior may be punished by a term of imprisonment twice that authorized by KRS 217.995 (1) or by a fine of not more than $20,000 or both.

(3) [(2)] *(a)* Any person in possession *for his own use of any dangerous drug* [of LSD, Mescaline, Peyote, Psilocybin, Psilocin, DMT or STP] in violation of subsection (1) *(a)* of KRS 217.731 shall be guilty of a *misdemeanor and upon conviction shall be ordered to a facility designated by the Commissioner of the Department of Mental Health where a program of treatment and rehabilitation not to exceed one year in duration shall be prescribed. The person ordered to the designated facility shall present himself for registration and initiation of a treatment program within five days of the date of sentencing. If, without good cause, the person fails to appear at the designated facility within the specified time period, or if at any time during the program of treatment prescribed, the authorized clinical director of the facility finds that the person is unwilling to participate in his treatment and rehabilitation, the director shall notify the sentencing court. Upon receipt of notification, the court shall cause the person to be brought before it and may continue the order of treatment and rehabilitation, or may order confinement in the county jail for not more than six months, or fine of not more than $600 or any combination of these sentences. Upon discharge of the person from the facility by the Commissioner of the Department of Mental Health or his designee prior to the expiration of the one year period or upon satisfactory completion of one year of treatment, the person shall be deemed finally discharged from sentence. The Commissioner or his designee shall notify the sentencing court of the date of such discharge from the facility.*

(b) For a second offense, he shall be guilty of a misdemeanor and upon conviction shall be punished by confinement in the county jail for not more than one year or by a fine of not more than $1,000 or both.

(c) For a third offense and subsequent offenses thereafter upon conviction he shall be punished by confinement in the penitentiary for not more than five years or by a fine of not more than $5,000 or both.

(d) In the case of any person convicted of a second or subsequent offense of possession for his own use of dangerous drugs in violation of subsection (1) (a) of KRS 217.731 the court may sentence such person to probation to a facility designated by the Department of Mental Health in place of other punishment prescribed by this section. In any case where the court imposes a sentence of probation, it may also impose a fine not to exceed the amounts set forth for the offense.

(e) In the case of any person convicted of a second or subsequent offense, the judge shall, prior to sentencing, follow the procedures outlined in subsection (5) of this Act. [felony and shall be punished by confinement in the penitentiary for not less than two years nor more than five years or by a fine of not less than $1,000 nor more than $5,000 or both.]

(4) (a) The Commissioner of the Department of Mental Health or his designee shall inform each court of the identity and location of the facility to which a person sentenced by that court under provision of subsection (3)(a) of this act shall be initially ordered.

(b) In the case of a person ordered to a facility for treatment and rehabilitation pursuant to subsection (3)(a) of this Act, transportation to the facility shall be provided by the court when the court finds the person unable to convey himself to the facility within five days of sentencing by reason of physical infirmity or financial incapability.

(c) The sentencing court shall immediately notify the designated facility of the sentence and its effective date.

(d) The Commissioner of Mental Health, or his designee, may authorize transfer of the person from the initially designated facility to another facility for therapeutic purposes. The sentenc-

ing court shall be notified of termination of treatment by the terminating facility.

(e) Responsibility for payment for treatment services rendered to persons pursuant to this Act shall be as under KRS 210.310, and KRS 210.320 unless the person and the facility shall arrange otherwise.

(5) Prior to the imposition of sentence upon conviction of a second or subsequent offense, the court shall obtain a report of case progress and recommendations regarding further treatment from the facility at which the person was treated following his first conviction. If such material is not available, the court shall notify the Commissioner of the Department of Mental Health, and the Commissioner shall cause the person to be examined by a psychiatrist employed by the Department to evaluate his mental condition and to make recommendations regarding treatment and rehabilitation. The psychiatrist making the examination shall submit a written report of his findings and recommendations regarding treatment and rehabilitation to the court, which shall make the report available to the prosecuting attorney and the attorney for the defendant. The court shall take such reports into consideration in determining sentence. The commissioner may decline to cause such examination to be made if the number of psychiatrists on duty in the department is insufficient to spare one from his regular official duties or if no such service may be purchased at regular departmental rates, in such event the commissioner shall notify the clerk of the court to that effect within three days after receipt of notification by the court.

(6) In the case of any person who has been convicted for the first time of possession of a dangerous drug in violation of KRS 217.731, the court may set aside and void the conviction upon satisfactory completion of treatment, probation, or other sentence, and issue to the person a certificate to that effect. A conviction voided under this subsection shall not be deemed a conviction for purposes of disqualifications or disabilities imposed by law upon conviction of a crime (including the additional penaltes imposed for second or subsequent convictions). Voiding of conviction under this subsection and dismissal may occur only once with respect to any person.

(7) [(3)] Any person [in possession of any dangerous drug (other than those specifically designated in subsection (2) of this section) in violation of subsection (1) of KRS 217.731 or] who violates any provision of KRS 217.721 to 217.785 for which a specific penalty is not otherwise provided shall be punished by confinement in the county jail for one year or by a fine of not less than $300 nor more than $500 or both.

(8) None of the provisions of this act shall be deemed to preclude the court from exercising its usual discretion with regard to ordering probation or discharge.

(9) The circuit court shall have exclusive jurisdiction of all prosecutions under this Act, except prosecutions within the jurisdiction of the juvenile court.

Section 8. Section 218.010 of the Kentucky Revised Statutes is amended to read as follows:

Definitions. The following words and phrases, as used in this chapter, shall have the following meanings, unless the context otherwise requires:

(1) "Person" includes any corporation, association, copartnership, or one or more individuals.

(2) "Physician" means a person authorized by law to practice medicine and surgery in this state [and any other person authorized by law to treat sick and injured human beings in this state] and to use narcotic drugs in connection with such treatment.

(3) "Dentist" means a person authorized by law to practice dentistry in this state.

(4) "Veterinarian" means a person authorized by law to practice veterinary medince in this state.

(5) "Manufacturer" means a person who by compounding, mixing, cultivating, growing, or other process produces or prepares narcotic drugs, but does not include an apothecary who compounds narcotic drugs to be sold or dispensed on prescriptions.

(6) "Wholesaler" means a person who supplies narcotic drugs that he himself has not produced nor prepared, on official written orders, but not on prescriptions.

(7) "Apothecary" means a licensed pharmacist as defined by the laws of this state and, where the context so requires, the owner of a store or other place of business where narcotic drugs are compounded or dispensed by a licensed pharmacist; but nothing in this chapter shall be construed as conferring on a person who is not registered nor licensed as a pharmacist any authority, right, or privilege, that is not granted to him by the pharmacy laws of this state.

(8) "Hospital" means an institution for the care and treatment of the sick and injured, approved by the State Board of Health as proper to be entrusted with the custody of narcotic drugs and the professional use of narcotic drugs under the direction of a physician, dentist, or veterinarian.

(9) "Laboratory" means a laboratory approved by the State Board of Health as proper to be entrusted with the custody of narcotic drugs and the use of narcotic drugs for scientific and medical purposes and for purposes of instruction.

(10) "Sale" includes barter, exchange, or gift, or offer therefor and each such transaction made by any person, whether as principal, proprietor, agent, servant, or employe.

(11) "Coca leaves" includes concaine and any compound, manufacture, salt, derivative, mixture, or preparation of coca leaves, except derivatives of coca leaves which do not contain cocaine, ecgonine, or substances from which cocaine or ecgonine may be synthesized or made.

(12) "Opium" includes morphine, codeine, and heroin, and any compound, manufacture, salt, derivative, mixture, or preparation of opium, but does not include apomorphine or any of its salts.

[(13) "Cannabis" includes all parts of the plant Cannabis sativa L., whether growing or not; the seeds thereof; the resin extracted from any part of such plant; and every compound, manufacture, salt, derivative, mixture, or preparation of such plant, its seeds, or resin; but shall not include the mature stalks of such plant, fiber produced from such stalks, oil or cake made from the seeds of such plant, any other compound, manufacture, salt, derivative, mixture, or preparation of such mature stalks

(except the resin extracted therefrom), fiber oil, or cake, or the sterilized seed of such plant which is incapable of germination.]

(13) [(14)] "Narcotic Drugs" include coca leaves, opium, isonipecaine (the substance identified chemically as 1-methyl-4-phenylpiperidine-4-carboxylic acid ethyl ester, or any salt thereof by whatever trade name identified), [cannabis] every other substance neither chemically nor physically distinguishable from them, and any drug having an addiction-forming or addiction-sustaining liability similar to morphine or cocaine which is designated by regulation of the State Board of Health as a narcotic drug.

(14) [(15)] "Federal Narcotic Laws" means the laws of the United States relating to opium, coca leaves, and other narcotic drugs.

(15) [(16)] "Official written order" means an order written on a form provided for that purpose by the United States Commissioner of Narcotics, under any laws of the United States making provision therefor, if such order forms are authorized and required by Federal law, and if no such order form is provided, then on an official form provided for that purpose by the State Board of Health.

(16) [(17)] "Dispense" includes distribute, leave with, give away, dispose of, or deliver.

(17) [(18)] "Registry number" means the number assigned to each person registered under the Federal Narcotic Laws.

The Committee on Public Utilities and Transportation reported **SB 351** and **HB 692**, with Committee Amendment attached thereto, with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

SB 351, AN ACT relating to public utilities.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Section 416.140 of the Kentucky Revised Statutes is amended to read as follows:

(1) Subject to the provisions of subsections (2) and (3) of this section, any person authorized under the laws of this state to conduct the business of producing *or* [and] supplying electricity, gas or gasoline for purposes of light, heat or power, *or* [and] who is engaged in the business of the transmission or sale of electricity, gas or gasoline for such purposes, *the aforesaid businesses being for a public purpose,* may construct and maintain transmission *or distribution* lines, including placing and maintenance of *pipes,* poles, wires, crossarms and all other equipment incident thereto, for use in the transmission and sale of such electricity, gas or gasoline under, on, along or over any *right of way as a* state highway, county road, public way or dedicated road outside the limits of a city, and over, under or across any of the waters of this state outside the limits of a city, and may construct and maintain along any *right of way used for purposes of* such state highway or county road all erections and appliances that are necessary to transform, convert and apply such electricity, gas or gasoline to the *public* purposes of lighting, heat or power and to distribute and deliver it to the consumers.

(2) The fixtures of the company shall not interfere with, obstruct or endanger the travel on and along the highway or road, nor obstruct the navigation of the waters, and the location of all transmission lines and other appliances shall be subject to the reasonable direction and regulation of the authorities having control of the highways, roads and waters through and over which the lines are constructed or proposed to be constructed.

(3) Before any persons named in subsection (1) of this section shall proceed to place his wires, poles or other appliances on or over any part of the right of way of a state highway, he shall first obtain from the Department of Highways a permit so to do. Any poles, wires or other obstructions, heretofore or hereafter placed along, under, on or over any state highway that are found by the Department of Highways to be unreasonably interfering in any way with the convenient, safe and continuous use and maintenance of such highway shall, upon thirty days' notice to the person or his chief agent, by the Department of Highways, be removed or relocated by such person at his own expense. Whenever an order of the Department of Highways requires such removal or change in the location of any telephone, tele-

graph, electric light or other poles, signboards, fences, gasoline tanks and pumps, gas, water, sewerage, oil or other pipe lines, or other similar construction or obstructions from the right of way of a state highway, and the owner thereof fails to remove or change the same at his own expense to conform to the order within the time stated in the notice, the Department of Highways shall proceed to cause the obstruction to be removed; the expense thereby incurred shall be paid out of any money available therefor, and shall be charged against the owner and levied and collected and paid into the State Treasury as provided by law.

HB 692, AN ACT relating to pipeline safety standards.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. A new section of Chapter 278 of the Kentucky Revised Statutes is created to read as follows:

Any person who violates any regulation adopted by the Public Service Commission governing the safety of pipeline facilities and/or the transportation of gas shall be subject to a civil penalty to be assessed by the Public Service Commission not to exceed $1,000 for each violation for each day that the violation persists. However, the maximum civil penalty shall not exceed $200,000 for any related series of violations. Any civil penalty assessed for such a violation may be compromised by the Commission. In determining the amount of the penalty, or the amount agreed upon in compromise, the appropriateness of the penalty to the size of the business of the person charged, the gravity of the violation, and the good faith of the person charged in attempting to achieve compliance, after notification of the violation, shall be considered. The amount of the penalty, when finally determined, or the amount agreed upon in compromise, may be deducted from any sums owing by the Commonwealth of Kentucky to the person charged or may be recovered in a civil action in the Franklin Circuit Court.

The Committee Amendment to **HB 692** is as follows:

Amend printed copy of House Bill 692 on page 1, line 3, by: inserting after the word "adopted" and before the word "by" the words:

"and filed pursuant to KRS Chapter 13"

The Committee on Judiciary reported **SB 284** with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

SB 284, AN ACT relating to compensation and expenses of Commonwealth attorneys.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Section 64.515 of the Kentucky Revised Statutes is amended to read as follows:

Each Commonwealth's attorney of the State shall be paid out of the State Treasury, each month, the sum of *five hundred* [two hundred and fifty] dollars, which sum is hereby declared to be the equivalent of the minimum sum that each Commonwealth's attorney will expend each month, in the performance of his official duties, for postage, telephone service, supplies, stationery, books and periodicals, and such other items of expense as he deems necessary. The expenses herein provided for shall be paid out of the Revolving Fund created by KRS 142.030. The sums so received shall be expended by each Commonwealth's attorney in his discretion, the manner in which the same shall be applied in payment or reimbursement of such expenses being determined by such officer.

Section 2. This act shall apply to the calendar year 1970 and all subsequent years.

The Committee on Counties and Special Districts reported **HB 689**, with Committee Amendment attached thereto, with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 689, AN ACT relating to the reporting of deaths and loss from fire, lightning, or explosion.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

A new section of KRS Chapter 227 is created to read as follows:

(1) The County Judge shall report to the State Fire Marshal such loss or damage by fire, lightning, or explosion in excess of One Hundred Dollars ($100.00) occurring to property within the county of which he has jurisdiction. He shall report any loss of life that occurs from the aforementioned causes. This loss shall be reported within seventy-two (72) hours after loss occurs.

(2) The mayor shall report to the State Fire Marshal such loss or damage by fire, lightning, or explosion in excess of One Hundred Dollars ($100.00) occurring to property within the city of which he has jurisdiction. He shall also report any loss of life that occurs from the aforementioned causes. This loss shall be reported within seventy-two (72) hours after loss occurs.

(3) The Coroner shall report to the State Fire Marshal loss of life that occurs as a result of fire, lightning, explosion, asphyxiation or by undetermined nature. This report shall be filed on the day that death occurs. In the event an inquest is held, a report of the results of the inquest shall be submitted to the State Fire Marshal as a part of the Coroner's final report.

The Committee Amendment to **HB 689** is as follows:

Amend printed copy of House Bill 689 on page 1, line 5, by: deleting "One Hundred Dollars ($100.00)" and inserting in lieu thereof "Five Hundred Dollars ($500.00)"

and by deleting from line 7 to 9 the following words: "This loss shall be reported within seventy-two (72) hours after loss occurs" and inserting in lieu thereof the following words: "All such losses shall be reported by 10th of each month."

on lines 11 and 12 by deleting:

"One Hundred Dollars ($100.00)" and inserting in lieu thereof: "Five Hundred Dollars ($500.00)"

and on page 2, lines 2 and 3 by deleting the following words: "This loss shall be reported within seventy-two (72) hours after loss occurs." and inserting in lieu thereof the following words: "All such losses shall be reported by the 10th of each month."

The Committee on Health and Welfare reported **HB 558** with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 558, AN ACT relating to public assistance.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Section 205.200 of the Kentucky Revised Statutes is amended to read as follows:

(1) A needy aged person, a needy blind person, a needy child, a needy permanently and totally disabled person, *and* [or] a person with whom a needy child lives shall be eligible to receive [a] public assistance [grant] only if he has made a proper application [or an application has been made on his behalf] in the manner and form prescribed by regulation. No individual shall be eligible to receive *a* public assistance *grant* under more than one category of public assistance *at the same time* [for the same period of time].

(2) The commissioner shall, by regulations, prescribe the conditions of eligibility for public assistance in conformity with the public assistance titles of the Social Security Act, its amendments and other federal acts and regulations in regard to an individual who is [;] :

(a) an inmate of a public institution;

(b) a patient in an institution for tuberculosis or mental diseases;

(c) a patient who has been diagnosed as having tuberculosis or psychosis and is a patient in a medical institution.

(3) The commissioner may, by regulation, prescribe as a condition of eligibility that a needy child regularly attend school, and may further, by regulation, prescribe the degree of relationship of the person or persons in whose home such needy child must reside.

(4) No child born out of wedlock shall be eligible under KRS 205.160 to 205.250, 205.290 and 205.310 as a needy child until after a paternity proceeding involving the child has been initiated. The requirement of this subsection may be waived as prescribed by regulation if a paternity proceeding cannot be had or would be futile, or would not be to the best interest of such child or its mother or contrary to the public interest.

(5) Public assistance shall not be payable to or in behalf

of any individual who has taken any legal action in his own behalf or in the behalf of others with the intent and purpose of establishing eligibility for such assistance.

(6) The department shall promptly notify the appropriate law enforcement officials of the furnishing of aid to dependent children in respect to a child who has been deserted or abandoned by a parent.

(7) A needy aged person, a needy blind person, a needy child or a needy permanently and totally disabled person shall not be eligible to receive a public assistance grant unless he is a resident of this state at the time of receiving aid, and has been a resident of this state for such period of time prior thereto as is prescribed by regulation.

Calendar

HB 715, HB 707, HB 680, HB 679, HB 650, HB 597, HB 471, SB 216, SB 215, SB 213, SB 194, SB 192, SB 186, SB 177, SB 168, SB 320, HB 449, HB 423, HB 175, HB 176, HB 151, HB 77, HB 737, HB 729, SB 288, SB 241, SB 228, SB 223, HB 717, HR 26 taken from the Calendar and ordered read at length for the second time. Representative McBrayer moved that they be read by title only. Agreed by a majority of members elected. Ordered placed in Orders of the Day.

Reference of Bills and Resolutions

The Committee on Committees has referred the following Bills and Resolutions:

Agriculture and Natural Resources: **HR 105.**

Appropriations and Revenue: **SB 117, SB 386.**

Business Organizations and Professions: **SB 354.**

Counties and Special Districts: **SB 293.**

Education: **SB 298, SB 305.**

Elections and Constitutional Amendments: **HB 742.**

Health and Welfare: **HB 741, HB 743, HB 744, SB 289.**

Highways and Traffic Safety: **SB 80.**

State Government: **HB 745, SR 52.**

Report of Committees (Continued)

The Committee on Rules reported **HB 445** has been recommitted to the Committee on Judiciary for further consideration.

The Committee on Rules reported **HB 711** has been recommitted to the Committee on Appropriations and Revenue for fiscal implications.

The Committee on Rules reported **HB 87, HB 219, HB 230, HB 252, HB 377, HB 398, HB 433, HB 440, HB 457, HB 496, HB 511, HB 514, HB 526, HB 550, HB 555, HB 594, HB 596, HB 632, HB 634, HB 662, HB 663, HB 664, HB 671, HB 673, HB 687, HB 688, HB 693, HB 697, HB 699, HB 709, HB 721, HB 727, HB 206, HB 294, HR 103, HR 106,** and **HB 194** have been posted for passage in Orders of the Day, March 16, 1970.

Announcements

Representative J. Hardin filed an amendment to **HB 619.**

Representative Prather filed an amendment to **HB 219.**

Representative Blume filed two amendments to **HB 555.**

Representative McBrayer filed an amendment to **HB 737.**

The Clerk announced the following Bills and Resolutions have been posted for consideration:

Counties and Special Districts: **SB 294.** (March 16, 1970, 12:30 p.m.)

Appropriations and Revenue: **SB 252, SB 231, SB 340, SB 341, SB 386, SB 117, SR 58.** (Room 401, March 16, 1970, 10:30 a.m.)

Judiciary: **SB 280, SB 153.** (Room 402, March 16, 1970, on adjournment)

Elections and Constitutional Amendments: **SB 275.** (Room 402, March 17, 1970, 10:45 a.m.)

State Government: **SR 52.** (Special meeting, Room 305, March 16, 1970, 12 noon)

Education: **SB 357, SB 298, SB 305.** (Room 404, March 16, 1970, 12:30 p.m.)

The Speaker announced that without objection **HB 175** and **HB 176** have been recommitted to the Committee on State Government.

Representative Wyatt moved that the House adjourn until 1:00 p.m., Monday, March 16, 1970. Agreed.

MONDAY, MARCH 16, 1970

FIFTY-SIXTH LEGISLATIVE DAY

The House was called to order by Speaker Carroll.

Prayer by the Reverend Robert Insko, Church of the Ascension, Frankfort.

The roll was called. All present except Representative Floyd.

Representative Isler moved that absent members be granted leave of absence. Agreed.

Representative McNamara moved that the reading of the Journal of March 13, 1970, be dispensed with and the same approved. Agreed.

Introduction of Bills and Resolutions

HR 113, by Representative Isler: A RESOLUTION directing the Legislative Research Commission to study and report on all matters pertaining to sex education and sensitivity training in the public schools of Jefferson, McCracken, Fayette and Kenton counties.

HR 114, by Representatives Wells, Paxton, Louden, Wible, Hinkle, Mitchell, Freeman, Lindsay, Carter, Lewis, Allen, G. White, Rickert, E. G. Brown, Hughes, Deskins, Peak, McBrayer, Graves, Murphy, Roberts, May, W. J. Reynolds, Wright, Keith, Salyers, J. Davis, W. Davis, Wenz, Haney, Chapman, Keene, Prather, Van Horn, Head, Lovins and Alexander: A RESOLUTION honoring the employes of the House of Representatives and the Legislative Research Commission.

Report of Committees

The Committee on Education reported **SB 298, SB 357** and **SB 305** with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

SB 298, AN ACT relating to financing of school buildings for common school purposes.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 162.170 is amended to read as follows:

For the purpose of defraying the cost of constructing or acquiring any school buildings and appurtenances thereto *for common school purposes* under the provisions of KRS 162.150, any city may borrow money [from the Public Works Administration or other agency of the Federal Government] and issue negotiable *revenue* bonds. No such bonds *for common school purposes* shall be issued until the conditions of KRS 162.160 have been complied with, and until authorized by an ordinance specifying the proposed undertaking, the amount of bonds to be issued, and the maximum rate of interest the bonds are to bear [not exceeding six per cent per annum] *which rate, as applicable to revenue bonds issued to finance buildings and appurtenant facilities for common school purposes, shall be established by regulation of the State Board of Education.* The ordinance shall further provide that the buildings and [appurtenances] *appurtenant facilities* are to be constructed or acquired under the provisions of KRS 162.150 to 162.280.

Section 2. KRS 162.180 is amended to read as follows:

All bonds issued under the provisions of KRS 162.170 *for common school purposes* may bear interest at a rate not exceeding [six per cent per annum] *the maximum rate per annum which has been established by regulation of the State Board of Education,* payable semiannually, and shall be executed in such manner and be payable at such times, not exceeding thirty years from the date thereof, and at such place as the governing body of the city determines. The bonds shall be sold in such manner and upon such terms as the governing body of the city deems for the best interest of the city.

Section 3. A new section of Chapter 162 of the Kentucky Revised Statutes is hereby enacted to read as follows:

Nothing contained in KRS 162.170 or 162.180 is intended to or shall be construed to make interest rates applicable to revenue

bonds issued by the governing bodies of state institutions of higher learning under KRS 162.340 to 162.380, inclusive, subject to regulation, establishment, limitation or approval by the State Board of Education.

Section 4. Whereas interest rates have increased very substantially, thereby endangering the ability of Kentucky school districts to secure favorable bids for revenue bonds issued for their benefit and on their behalf by cities and counties of the Commonwealth, an emergency is declared to exist, and this Act shall become effective upon its passage and approval by the Governor.

SB 357, AN ACT relating to the method of appointment of the Board of Regents of the Northern Kentucky State College.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

KRS 164.320 is hereby amended to read as follows:

(1) The Board of Regents for Eastern Kentucky University, Morehead State University, Murray State University, Western Kentucky University, Kentucky State College and Northern Kentucky State College shall each consist of the Superintendent of Public Instruction who shall be Chairman of the Board, six members appointed by the Governor, one non-voting member of the teaching faculty, and one non-voting member of the student body of the respective university or college.

(2) The terms of appointed members shall be for four years, and until their successors are appointed and qualified. Such appointments shall be made by the Governor within thirty days after the expiration of the term of each member. If the Governor should fail to make any such appointment within thirty days after the expiration of the term of any member, the remaining members of the Board of Regents of the particular university or college whose terms shall not have expired, shall make such appointment within sixty days after the expiration of such term.

(3) [The Board of Regents for Northern Kentucky State College shall consist of the Superintendent of Public Instruction, who shall be chairman of the board, and six members ap-

pointed by the Governor.] On July 1, 1968, the Governor shall appoint six members to the Board of Regents of Northern Kentucky State College. One member shall serve until April 1, 1969, one until April 1, 1970, two until April 1, 1971, and two until April 1, 1972.

(4) Not more than two appointed members of any board shall be residents of one county; nor more than three of the appointed members of any board shall belong to the same political party. Membership on the board shall not be incompatible with any other state office.

(5) Appointments to fill vacancies shall be made in the same manner and within the same time after the occurrence of the vacancy as regular appointments. The person appointed shall hold the position for the unexpired term only.

(6) Each appointed member of the board shall, at the first meeting following his appointment, take an oath to faithfully discharge his duties.

(7) Each member of the board shall serve for the term for which he is appointed and until his successor is appointed and qualified.

(8) The non-voting faculty member shall be a teaching or research member of the faculty of his respective university or college of the rank of assistant professor or above. He shall be elected by secret ballot by all faculty members of his university or college of the rank of assistant professor or above. The faculty member shall serve for a term of three years and until his successor is elected and qualified. The faculty member shall be eligible for re-election, but he shall not be eligible to continue to serve as a member of such board if he ceases being a member of the teaching staff of the university or college. Elections to fill vacancies shall be for the unexpired term in the same manner as provided for original election.

(9) The non-voting student member shall be the president of the student body of the university or college on whose Board of Regents he is to serve. If the president of the student body is not a full-time student who maintains permanent residency in the Commonwealth of Kentucky, a special election shall be held to select a full-time student who does maintain permanent

residency in this Commonwealth as the non-voting student member.

SB 305, AN ACT relating to placing faculty and students on the advisory boards of the community colleges.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Section 164.600 of the Kentucky Revised Statutes is amended to read as follows:

(1) [The Governor shall appoint] *There shall be* a local advisory board for each community college. Each local advisory board shall serve in an advisory capacity to the board and the head of the community college on the operation of the community college.

(2) Each local advisory board shall consist of [seven] *nine* members, *seven of whom shall be appointed by the Governor. The other two local advisory board members shall be one non-voting member of the teaching faculty and one non-voting member of the student body.* [A] *An appointed* member's term is four years; however, when appointing the initial members of the local advisory boards, the Governor may appoint some members for terms of less than four years. [Local advisory board members shall receive no compensation for their services, but shall be paid for their actual and necessary expenses.]

(3) The faculty member shall be on the teaching or research faculty of the community college. He shall be elected by secret ballot of all full-time faculty members of the community college. Faculty members shall serve for terms of three years and until their successors are elected and qualified. Faculty members shall be eligible for reelection, but they shall be ineligible to continue to serve as members of the local advisory boards if they cease to be members of the teaching staff of the community college. Elections to fill vacancies shall be for the unexpired term in the same manner as provided for original election.

(4) The student member shall be the president of the student body of the community college. If the president of the student body is not a full-time student who maintains permanent

residency in the Commonwealth of Kentucky, a special election shall be held to select a full-time student who does maintain permanent residency in this Commonwealth as the student member.

(5) Local advisory board members shall receive no compensation for their services, but shall be paid for their actual and necessary expenses.

Section 2. Whereas, the community colleges affected by this Act require the participation of the additional members on their respective local advisory boards provided, and such participation is a matter of immediate importance, an emergency is declared to exist, and this Act shall become effective upon its passage and approval by the Governor.

The Committee on Counties and Special Districts reported **SB 294** with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

SB 294, AN ACT relating to county offices.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. A new section of Chapter 67 of the Kentucky Revised Statutes is created to read as follows:

(1) The provisions of KRS 28.030 to the contrary notwithstanding, in all counties with a land area of more than 750 square miles, the sheriff, county clerk, circuit clerk, or any of them, when authorized by resolution of the fiscal court may each maintain a branch office in any incorporated or unincorporated city of the county other than the county seat.

(2) The sheriff, county clerk and circuit clerk, when authorized by the fiscal court, may appoint one or more deputies for the branch office. The salaries to be paid said deputies together with the office rent and other expenses incidental to maintaining branch offices shall be considered as a part of the necessary expenses of the respective officers and shall be paid in the manner now provided by law for such expenses.

(3) Branch offices as authorized by the fiscal court may

be used for the same purposes as those for which the offices at the county seat are used; provided, however, that all records must be kept at the county seat. The period of time such branch offices shall be maintained, and the office hours, shall be fixed by the fiscal court. The compensation of the deputy in charge of the branch office shall be fixed in the same manner as the compensation of deputies serving at the county seat office. The sheriff, county clerk, and circuit clerk, shall remain liable on their bonds for all funds collected by the branch offices.

The Committee on Appropriations and Revenue reported **SB 91,** with Committee Amendment attached thereto, with the expression of opinion that the same should pass. Ordered placed in Orders of the Day.

The Committee Amendment to **SB 91** is as follows:

Amend printed copy of Senate Bill 91 on page 3, line 28, by: deleting line 28 in its entirety

and on page 4, lines 1-13, by deleting said lines in their entirety

and on page 4, line 14, by deleting "Section 5." and inserting in lieu thereof "Section 4."

and on page 4, line 17, by deleting "Section 6." and inserting in lieu thereof "Section 5."

The Committee on Appropriations and Revenue reported **SR 58, SB 252** and **SB 340** with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

SJR 58, A JOINT RESOLUTION appropriating $1,669.25 to pay a prior year claim of the Green Circuit Clerk.

WHEREAS, the Kentucky Water Pollution Control Commission filed numerous suits in the Green Circuit Court for damages resulting from water pollution; and

WHEREAS, the Green Circuit Court entered an order on November 20, 1967, dismissing a number of these suits for failure to prosecute, adjudging to the Green Circuit Clerk costs of $1,669.25 against the Commission; and

WHEREAS, the Commission has steadfastly refused to pay this sum to the Clerk which sum would have reimbursed the clerk for money expended in clerical activities caused by those suits which the Commissioner failed to prosecute:

NOW, THEREFORE,

Be it resolved by the General Assembly of the Commonwealth of Kentucky:

Section 1. That there is hereby appropriated from the General Expenditure Fund the sum of $1,669.25, to be paid Rhea Tucker, Clerk, Green Circuit Court.

SB 252, AN ACT relating to inheritance and estate taxes.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Section 140.010 of the Kentucky Revised Statutes is amended to read as follows:

All real and personal property within the jurisdiction of this state and any interest therein belonging to inhabitants of this state, all tangible personal property wherever situated belonging to inhabitants of this state that has not acquired a situs for purposes of taxation outside of this state, all intangible property belonging to persons domiciled in this state *except partnership property located in another state which is subject to an inheritance or estate tax in that state,* all intangible property belonging to nonresidents that has acquired a business situs in this state, all real property or interest therein within this state and all tangible personal property that has acquired a situs in this state and is not taxable elsewhere belonging to persons who are not inhabitants of this state, which shall pass by will or by the laws regulating intestate succession, or by deed, grant, bargain, sale or gift made in contemplation of death or made or intended to take effect in possession or enjoyment at or after the death of the grantor or donor, absolutely or in trust, to any person or to any body politic or corporate, in trust or otherwise, or by reason whereof any person or body politic or corporate shall become beneficially entitled in possession or expectancy to any property or to the income thereof, is subject to a tax upon the fair cash

value as of the date of the death of the grantor or donor of the property in excess of the exemptions granted and at the rates prescribed in this chapter. This tax shall be imposed when any such person or corporation becomes beneficially entitled in possession or expectancy to any property or the income thereof by any such transfer.

SB 340, AN ACT making an appropriation for the Commission on Employment of the Physically Handicapped.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. There is hereby appropriated from the General Expenditure Fund to the Commission on Employment of the Physically Handicapped, $10,000 for the fiscal year 1970-1971 and $10,000 for the fiscal year 1971-1972.

Section 2. The funds appropriated by this Act shall be disbursed in accordance with the provisions of KRS 195.150 to KRS 195.200.

The Committee on Rules reported **HB 737, HB 540, HB 423, HB 679, HB 680** and **HB 717** have been posted for passage in Orders of the Day, March 16, 1970.

Calendar

HB 558, HB 619, HB 649, HB 689, HB 700, HB 692, HB 738, HR 105, SB 73, SB 226, SB 267, SB 274, SB 276, SB 351 and **SB 284** taken from the Calendar and ordered read at length for the second time. Representative McBrayer moved that they be read by title only. Agreed by a majority of members elected. Ordered placed in Orders of the Day.

Reference of Bills and Resolutions

The Committee on Committees has referred the following Bills and Resolutions:

Appropriations and Revenue: **HB 747, SB 323.**

Business Organizations and Professions: **SB 295.**

Elections and Constitutional Amendments: **SB 233.**

Health and Welfare: **HJR 110.**

Judiciary: **SB 43, SB 382.**

State Government: **HB 746, SB 319, SR 56.**

Rules: **HR 109, HR 111, HR 112.**

Motions, Petitions and Communications

Representative Blandford moved that **HB 610** be taken from the table.

On the roll call the vote was yeas 43—Baker, Blandford, Blume, Blythe, Edward G. Brown, Carroll, Carter, Clarke, Conn, Curlin, Walter Davis, DeMarcus, Donnermeyer, Dorris, Durham, John O. Hardin, Holloway, Keene, Knuckles, Lewis, Lindsay, McBrayer, McCann, McGill, Mershon, Mitchell, Nett, Osborne, Paxton, Peak, Prather, Priddy, Rattliff, Rickert, Schmidt, Siemens, Stuart, Tobin, Wenz, Wheeler, Wible, Wyatt, Yocom. Nays 6—Kenton, Kleier, Lovins, Van Horn, G. White, Wright.

The motion that **HB 610** be taken from the table was rejected.

Representative Keene moved that **HB 500** be taken from the table and placed at the end of Orders of the Day.

On the roll call the vote was yeas 63—Alexander, Allen, Arnett, Blandford, Bleemel, Blythe, Edward G. Brown, Hershel Brown, Carter, Chapman, Clarke, Collins, Curlin, Walter Davis, DeMarcus, Deskins, Donnermeyer, Dorris, Freeman, Graves, L. T. Hardin, Head, Hinkle, Holloway, Huff, Isler, Keene, Keith, Kenton, Kleier, Lewis, Lindsay, Louden, Lovins, McBride, May, Mershon, Miller, Mitchell, Osborne, Paxton, Peak, Pollitte, Rattliff, Reed, Russell Reynolds, T. P. Reynolds, W. J. Reynolds, Rickert, Roberts, Ruh, Salyers, Schmidt, Siemens, Stuart, Tobin, Van Horn, West, Wheeler, John E. White, Wible, Wright, Yocom. Nays 1—G. White.

The motion that **HB 500** be taken from the table and placed at the end of Orders of the Day was adopted.

Report on Enrolled Bills

The Committee on Enrollment reported **HB 155, HB 454, HB 74, HB 383, HB 370** and **HB 402** had been examined and found correctly enrolled. **HB 155, HB 454, HB 74, HB 383, HB 370** and **HB 402** read at length, compared and signed in open session by the Speaker. Ordered delivered to the Senate.

Orders of the Day

Representative McBrayer moved that consideration of **HB 225, HB 369** and **HB 474** be deferred and that they retain their position in Orders of the Day. Agreed.

Representative McBrayer moved that **HB 437** be withdrawn from consideration during this Session. Agreed.

HB 737 taken from Orders of the Day and ordered read at length for the third time. Representative McBrayer moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative McBrayer moved the adoption of the following Amendment to **HB 737:**

Amend printed copy of House Bill 737 on page 3, line 25, by:

deleting the words "or the Franklin Circuit Court" and

on page 8, line 15, deleting the figure "$100,000" and substituting therefor the figure "$160,000" and

on page 6, line 12, insert the word "by" after "thereafter"

Agreed.

On the roll call the vote was yeas 55—Alexander, Allen, Arnett, Blandford, Blume, Blythe, Carroll, Carter, Chapman, Clarke, Conn, Curlin, Deskins, Donnermeyer, Dorris, Freeman, Graves, Head, Hinkle, Hughes, Isler, Keene, Kenton, Kleier, Lewis, Lindsay, McBrayer, McBride, McCann, McGill, McNamara, May, Mershon, Miller, Mitchell, Murphy, Nett, Peak,

Pollitte, Prather, Priddy, Ray, Reed, W. J. Reynolds, Rickert, Ruh, Salyers, Siemens, Swinford, Van Horn, Wenz, Glenn White, Wible, Wyatt, Yocom. Nays 26—Baker, Bartley, A. Brown, H. Brown, Collins, W. Davis, DeMarcus, Durham, L. Hardin, Holloway, Huff, Kessinger, King, Knuckles, Lovins, McKinney, Osborne, Paxton, Rattliff, Schmidt, Sharpe, Simmons, Stuart, West, Wheeler, Wright.

HB 737 as amended was passed and the title agreed to.

Representative McBrayer moved that the vote by which **HB 737** as amended was passed be reconsidered and said motion be postponed indefinitely. Agreed.

Recess

Representative McBrayer moved that the House recess for fifteen minutes for committee meetings. Agreed.

At the appointed hour, the Speaker resumed the Chair and called the House to order.

Report of Committees

The Committee on State Government reported **HB 176,** with Second Committee Substitute attached thereto, with the expression of opinion that the same should pass. Ordered placed in Orders of the Day.

Second Committee Substitute, HB 176, AN ACT relating to the coordination of programs concerned with the development of state, intergovernmental cooperation, state planning, and providing for the establishment of the Kentucky Program Development Office.

WHEREAS, it is recognized that the Commonwealth of Kentucky is made up of several major geographical areas, each of which differs significantly from the others in basic characteristics of terrain, economy, and other physical and cultural features; and

WHEREAS, it is recognized that the different problems encountered in each of such areas are not the result of any single

cause but involve the comprehensive range of human interest and physical conditions characteristic of each area; and

WHEREAS, there is a need to coordinate and focus the programs of the various agencies of state government to assure their best cooperation with the many other programs of federal agencies, private groups and institutions, and to assure their best use to meet the specific individual and total problems and to promote the economic growth of each of the different areas of the Commonwealth; and

WHEREAS, an increasing number of federal and state programs have been adopted which have special effect or benefit for various areas and whose effectiveness is dependent upon and determined by data and criteria evaluated within an area context;

NOW, THEREFORE,

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. A new section of Chapter 147A of the Kentucky Revised Statutes is hereby created to read as follows:

There is hereby established the Kentucky Program Development Office within the Office of the Governor of the Commonwealth of Kentucky. The head of the office shall be known as the Administrator of the Kentucky Program Development Office, he shall serve as the Special Assistant to the Governor for Program Development, and also shall serve as Secretary to the State Planning Committee.

Section 2. A new section of Chapter 147A of the Kentucky Revised Statutes is hereby created to read as follows:

The Administrator shall coordinate for the Governor the State's responsibility for, and shall be responsible for liaison with the appropriate state and federal agencies with respect to, the following programs:

(a) Economic Development Act;

(b) Appalachian Regional Development Act;

(c) Housing and Urban Development Act (Housing Act of 1954, as amended);

(d) Demonstration Cities and Metropolitan Development Act of 1966 (PL 89-754, Title I, II, VIII, IX);

(e) Land and Water Resources Act (PL 89-80);

(f) Comprehensive Health Planning Act (PL 89-749).

Section 3. A new section of Chapter 147A of the Kentucky Revised Statutes is hereby created to read as follows:

(1) The Administrator of the Kentucky Program Development Office is designated as State Planning Officer and shall serve as the Secretary to the State Planning Committee.

(2) The Kentucky Program Development Office is designated as the official State Planning Office through which the policies and procedures adopted by the State Planning Committee are promulgated.

(3) This Office shall serve as the State's officially designated planning and research agency and shall administer the Commonwealth's developmental planning funds.

(4) This Office shall designate development areas, development organizations, and approve area development programs as well as provide the State's approval to proposals to federal agencies when State approval is provided for in applicable federal law unless otherwise provided for in Kentucky Statutes; however, final determination and certification of proposals to federal agencies shall be at the discretion of the unit submitting the proposal.

(5) The Kentucky Program Development Office shall serve as the technical information agency for the dissemination of information and technical matters to local units of government.

Section 4. A new section of Chapter 147A of the Kentucky Revised Statutes is hereby created to read as follows:

(1) There is hereby transferred the following organizational components, their functions, personnel, funds, equipment, facilities and records to the Kentucky Program Development Office:

(a) The Area Development Office from the Office of the Governor;

(b) The Office of Urban Affairs from the Office of the Governor;

(c) The Division of Community Planning and Development from the Department of Commerce; and

(d) The Kentucky Outdoor Recreation Program (under the Federal Land and Water Conservation Act) from the Department of Finance.

(2) The Kentucky Program Development Office shall consist of the following Divisions, each headed by a Director:

(a) Division of Planning;

(b) Division of Development Assistance;

(c) Division of Development Information.

(3) This Office shall provide liaison between local governments, area development councils and districts, and state governments.

(4) The Administrator shall conduct and supervise such special activities, functions, programs, and projects as may be assigned by the Governor of the Commonwealth of Kentucky.

Orders of the Day (Continued)

HB 230 taken from Orders of the Day and ordered read at length for the third time. Representative DeMarcus moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

On the roll call the vote was yeas 75—Allen, Arnett, Baker, Bartley, Blandford, Bleemel, Blythe, Archie Brown, Hershel Brown, Bruce, Carroll, Carter, Chapman, Clarke, Collins, Conn, Curlin, James A. Davis, DeMarcus, Deskins, Donnermeyer, Dorris, Durham, Graves, Haney, L. T. Hardin, Head, Hinkle, Huff, Hughes, Isler, Kenton, Kessinger, Kidd, King, Kleier, Knuckles, Lewis, Lindsay, Lovins, McBrayer, McBride, McKinney, McNamara, Massey, May, Mershon, Murphy, Nett, Osborne, Parish, Paxton, Peak, Pollitte, Prather, Priddy, Ray, Reed, Russell Reynolds, T. P. Reynolds, W. J. Reynolds, Rickert, Ruh, Salyers, Schmidt, Sharpe, Siemens, Simmons, Swinford, Tobin, Van Horn, Wenz, Glenn White, Wible, Wright. Nays 0.

HB 230 was passed and the title agreed to.

Representative DeMarcus moved that the vote by which **HB 230** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 377 taken from Orders of the Day and ordered read at length for the third time. Representative McBrayer moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

On the roll call the vote was yeas 74—Allen, Baker, Bartley, Blandford, Bleemel, Blythe, Archie Brown, Hershel Brown, Carter, Chapman, Clarke, Collins, Conn, DeMarcus, Deskins, Donnermeyer, Dorris, Durham, Graves, Haney, L. T. Hardin, Head, Hinkle, Huff, Hughes, Isler, Keene, Keith, Kenton, Kessinger, Kidd, King, Kleier, Knuckles, Lewis, Lindsay, Louden, Lovins, McBrayer, McBride, McKinney, McNamara, Massey, May, Mershon, Mitchell, Murphy, Osborne, Parish, Paxton, Peak, Pollitte, Prather, Priddy, Rattliff, Ray, Reed, Russell Reynolds, T. P. Reynolds, W. J. Reynolds, Rickert, Ruh, Salyers, Schmidt, Sharpe, Siemens, Simmons, Swinford, Tobin, Van Horn, Wheeler, John E. White, Wible, Wright. Nays 0.

HB 377 was passed and the title agreed to.

Representative DeMarcus moved that the vote by which **HB 377** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 398 taken from Orders of the Day and ordered read at length for the third time. Representative DeMarcus moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

On the roll call the vote was yeas 81—Alexander, Allen, Arnett, Baker, Bartley, Blandford, Bleemel, Blythe, Archie Brown, Hershel Brown, Bruce, Carroll, Carter, Chapman, Clarke, Collins, Conn, Curlin, James A. Davis, Walter Davis, DeMarcus, Deskins, Donnermeyer, Dorris, Durham, Graves, Haney, L. T. Hardin, Head, Hinkle, Huff, Hughes, Isler, Keene, Keith, Kenton, Kessinger, Kidd, King, Knuckles, Lewis, Lindsay, Louden, McBrayer, McBride, McKinney, McNamara, Massey, May, Mershon, Mitchell, Murphy, Nett, Osborne, Parish, Paxton, Peak, Pollitte,

Prather, Priddy, Rattliff, Ray, Russell Reynolds, T. P. Reynolds, W. J. Reynolds, Rickert, Roberts, Ruh, Salyers, Schmidt, Sharpe, Siemens, Simmons, Swinford, Tobin, Van Horn, Wenz, Wheeler, John E. White, Wible, Wright. Nays 0.

HB 398 was passed and the title agreed to.

Representative DeMarcus moved that the vote by which **HB 398** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 526, with Committee Amendment attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative DeMarcus moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative DeMarcus moved the adoption of the Committee Amendment to **HB 526**. Agreed.

On the roll call the vote was yeas 83—Alexander, Allen, Arnett, Baker, Bartley, Blandford, Blythe, Archie Brown, Hershel Brown, Bruce, Carroll, Carter, Chapman, Collins, Conn, Curlin, James A. Davis, Walter Davis, DeMarcus, Deskins, Donnermeyer, Dorris, Durham, Graves, Haney, L. T. Hardin, Head, Hinkle, Holloway, Huff, Hughes, Isler, Keene, Keith, Kenton, Kidd, King, Kleier, Knuckles, Lewis, Lindsay, Louden, Lovins, McBrayer, McBride, McCann, McKinney, McNamara, Massey, May, Mershon, Miller, Mitchell, Nett, Osborne, Parish, Paxton, Peak, Prather, Priddy, Ray, Reed, Russell Reynolds, T. P. Reynolds, W. J. Reynolds, Rickert, Ruh, Salyers, Schmidt, Sharpe, Siemens, Simmons, Stuart, Swinford, Tobin, Van Horn, Wenz, Wheeler, Glenn White, John E. White, Wible, Wright, Wyatt. Nays 0.

HB 526 as amended was passed and the title agreed to.

Representative DeMarcus moved that the vote by which **HB 526** as amended was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 594 taken from Orders of the Day and ordered read at length for the third time. Representative DeMarcus moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

On the roll call the vote was yeas 70—Alexander, Allen, Arnett, Baker, Bartley, Blandford, Bleemel, Blume, Blythe, Archie Brown, Hershel Brown, Bruce, Carter, Collins, Curlin, Walter Davis, DeMarcus, Deskins, Donnermeyer, Dorris, Durham, Graves, L. T. Hardin, Hinkle, Holloway, Huff, Hughes, Isler, Keene, Keith, Kenton, Kessinger, King, Kleier, Knuckles, Louden, McBrayer, McCann, McKinney, McNamara, Massey, May, Mershon, Murphy, Osborne, Parish, Paxton, Priddy, Reed, Russell Reynolds, T. P. Reynolds, W. J. Reynolds, Rickert, Ruh, Salyers, Schmidt, Sharpe, Siemens, Simmons, Stuart, Swinford, Tobin, Van Horn, Wenz, West, Wheeler, Glenn White, John E. White, Wible, Wright. Nays 6—J. Davis, Head, Lewis, Lindsay, Lovins, McBride.

HB 594 was passed and the title agreed to.

Representative DeMarcus moved that the vote by which **HB 594** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 540, with Committee Amendment attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative DeMarcus moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative DeMarcus moved the adoption of the Committee Amendment to **HB 540**. Agreed.

On the roll call the vote was yeas 84—Alexander, Allen, Arnett, Baker, Bartley, Blandford, Bleemel, Blume, Blythe, Archie Brown, Edward G. Brown, Hershel Brown, Bruce, Carter, Chapman, Clarke, Collins, Curlin, James A. Davis, Walter Davis, DeMarcus, Deskins, Donnermeyer, Dorris, Durham, Graves, Haney, L. T. Hardin, Head, Hinkle, Holloway, Huff, Hughes, Isler, Keene, Keith, Kenton, Kessinger, King, Knuckles, Lewis, Lindsay, Louden, Lovins, McBrayer, McBride, McCann, McKinney, McNamara, Massey, May, Mershon, Miller, Mitchell, Murphy, Osborne, Parish, Paxton, Peak, Prather, Rattliff, Ray, Russell Reynolds, T. P. Reynolds, W. J. Reynolds, Rickert, Ruh, Salyers, Schmidt, Sharpe, Siemens, Simmons, Stuart, Swinford, Tobin, Van Horn, Wells, Wenz, West, Wheeler, John E. White, Wible, Wright, Wyatt. Nays 0.

HB 540 as amended was passed and the title agreed to.

Representative DeMarcus moved that the vote by which **HB 540** as amended was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 423 taken from Orders of the Day and ordered read at length for the third time. Representative DeMarcus moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

On the roll call the vote was yeas 86—Alexander, Allen, Arnett, Baker, Bartley, Blandford, Bleemel, Blythe, Archie Brown, Edward G. Brown, Hershel Brown, Bruce, Carroll, Carter, Chapman, Clarke, Collins, Conn, Curlin, James A. Davis, Walter Davis, DeMarcus, Deskins, Donnermeyer, Dorris, Durham, Graves, Haney, L. T. Hardin, Head, Hinkle, Holloway, Huff, Hughes, Isler, Keene, Keith, Kenton, Kessinger, Kidd, King, Knuckles, Lewis, Lindsay, Louden, McBrayer, McBride, McCann, McKinney, Massey, May, Mershon, Miller, Mitchell, Nett, Osborne, Parish, Paxton, Prather, Priddy, Ray, Reed, Russell Reynolds, T. P. Reynolds, W. J. Reynolds, Rickert, Ruh, Salyers, Schmidt, Sharpe, Siemens, Simmons, Stuart, Swinford, Tobin, Van Horn, Wells, Wenz, West, Wheeler, Glenn White, John E. White, Wible, Wright, Wyatt, Yocom. Nays 0.

HB 423 was passed and the title agreed to.

Representative DeMarcus moved that the vote by which **HB 423** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 679 taken from Orders of the Day and ordered read at length for the third time. Representative DeMarcus moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

On the roll call the vote was yeas 83—Alexander, Allen, Arnett, Baker, Bartley, Blandford, Bleemel, Blume, Blythe, Archie Brown, Edward G. Brown, Hershel Brown, Carter, Chapman, Collins, Conn, Walter Davis, DeMarcus, Deskins, Donnermeyer, Dorris, Durham, Graves, Haney, L. T. Hardin, Head, Hinkle, Holloway, Huff, Hughes, Isler, Keene, Keith, Kenton, Kessinger, King, Knuckles, Lewis, Lindsay, Louden, McBrayer, McBride,

McCann, McNamara, Massey, May, Mershon, Mitchell, Murphy, Nett, Osborne, Parish, Paxton, Peak, Pollitte, Prather, Priddy, Rattliff, Ray, Reed, Russell Reynolds, T. P. Reynolds, W. J. Reynolds, Rickert, Ruh, Salyers, Schmidt, Sharpe, Siemens, Simmons, Stuart, Swinford, Tobin, Van Horn, Wenz, West, Wheeler, Glenn White, John E. White, Wible, Wright, Wyatt, Yocom. Nays 0.

HB 679 was passed and the title agreed to.

Representative DeMarcus moved that the vote by which **HB 679** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 680 taken from Orders of the Day and ordered read at length for the third time. Representative DeMarcus moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

On the roll call the vote was yeas 79—Alexander, Allen, Arnett, Baker, Blandford, Bleemel, Blume, Blythe, Archie Brown, Edward G. Brown, Hershel Brown, Carter, Chapman, Collins, Conn, James A. Davis, Walter Davis, DeMarcus, Deskins, Donnermeyer, Dorris, Durham, Graves, Haney, L. T. Hardin, Head, Hinkle, Holloway, Huff, Hughes, Isler, Keith, Kenton, Kessinger, Kidd, King, Knuckles, Lewis, Lindsay, Louden, McBrayer, McBride, McCann, McKinney, McNamara, Massey, May, Mershon, Miller, Mitchell, Murphy, Osborne, Parish, Paxton, Pollitte, Prather, Rattliff, Ray, Russell Reynolds, T. P. Reynolds, W. J. Reynolds, Rickert, Ruh, Salyers, Schmidt, Sharpe, Siemens, Simmons, Swinford, Tobin, Van Horn, Wenz, West, Wheeler, Glenn White, John E. White, Wible, Wright, Yocom. Nays 0.

HB 680 was passed and the title agreed to.

Representative DeMarcus moved that the vote by which **HB 680** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 669 taken from Orders of the Day and ordered read at length for the third time. Representative DeMarcus moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Conn moved that **HB 669** be laid on the table.

On the roll call the vote was yeas 44—Baker, Blandford, Bruce, Carter, Clarke, Conn, Donnermeyer, Dorris, Graves, John O. Hardin, Head, Hinkle, Huff, Hughes, Isler, Keene, Kidd, Kleier, Lewis, Lindsay, Lovins, McBride, McCann, McGill, McNamara, Mershon, Miller, Parish, Paxton, Peak, Pollitte, Prather, Reed, Rickert, Roberts, Salyers, Swinford, Van Horn, Wenz, West, Glenn White, Wible, Wright, Yocom. Nays 45—Alexander, Arnett, Bartley, Bleemel, Blume, Blythe, A. Brown, E. G. Brown, H. Brown, Carroll, Chapman, Collins, Curlin, J. Davis, W. Davis, DeMarcus, Durham, Haney, L. Hardin, Holloway, Keith, Kessinger, King, Knuckles, Louden, McBrayer, McKinney, Massey, May, Mitchell, Murphy, Osborne, Priddy, Rattliff, Ray, R. Reynolds, W. J. Reynolds, Ruh, Schmidt, Sharpe, Simmons, Stuart, Tobin, Wheeler, J. White.

The motion that **HB 669** be laid on the table was rejected.

On the roll call the vote was yeas 43—Alexander, Allen, Arnett, Bartley, Blandford, Bleemel, Blume, Blythe, Archie Brown, Edward G. Brown, Hershel Brown, Carroll, Chapman, Collins, Curlin, James A. Davis, Walter Davis, DeMarcus, Haney, L. T. Hardin, Holloway, Keith, Kessinger, King, Knuckles, Louden, McBrayer, Massey, May, Mitchell, Osborne, Russell Reynolds, T. P. Reynolds, W. J. Reynolds, Salyers, Schmidt, Sharpe, Simmons, Stuart, Tobin, Wheeler, John E. White. Nays 49—Baker, Bruce, Carter, Clarke, Conn, Donnermeyer, Dorris, Durham, Graves, Head, Hinkle, Huff, Hughes, Isler, Keene, Kenton, Kidd, Kleier, Lewis, Lindsay, Lovins, McBride, McCann, McGill, McNamara, Mershon, Miller, Nett, Parish, Paxton, Peak, Pollitte, Prather, Priddy, Reed, Rickert, Roberts, Ruh, Siemens, Swinford, Van Horn, Wells, Wenz, West, G. White, Wible, Wright, Wyatt, Yocom.

HB 669 was defeated.

Representative Swinford moved that the vote by which **HB 669** was defeated be reconsidered and said motion be postponed indefinitely.

On the roll call the vote was yeas 43—Baker, Carter, Clarke, Conn, Donnermeyer, Dorris, Durham, Graves, L. T. Hardin, Hinkle, Huff, Hughes, Isler, Keene, Kidd, Kleier, Lewis, Lovins, McBride, McCann, McGill, McNamara, Mershon, Miller, Nett,

Parish, Paxton, Peak, Prather, Rickert, Roberts, Sharpe, Siemens, Swinford, Van Horn, Wells, Wenz, West, Glenn White, Wible, Wright, Wyatt, Yocom. Nays 24—Arnett, Bartley, Bleemel, Blythe, A. Brown, H. Brown, Chapman, Collins, J. Davis, W. Davis, DeMarcus, Haney, Holloway, Keith, Kessinger, King, May, Osborne, Ray, R. Reynolds, Schmidt, Simmons, Stuart, Wheeler.

The motion that the vote by which **HB 669** was defeated be reconsidered and said motion be postponed indefinitely was adopted.

HB 87, with Committee Amendments attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative McBrayer moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Wible moved the adoption of Committee Amendment No. 1 to **HB 87.** Agreed.

Representative Wible moved the adoption of Committee Amendment No. 2 to **HB 87.** Agreed.

On the roll call the vote was yeas 70—Allen, Baker, Bartley, Bleemel, Archie Brown, Carter, Chapman, Clapp, Clarke, Collins, Curlin, DeMarcus, Deskins, Donnermeyer, Dorris, Durham, Graves, Haney, John O. Hardin, L. T. Hardin, Head, Hinkle, Holloway, Hughes, Keith, Kenton, Kessinger, King, Kleier, Knuckles, Lewis, Lindsay, Louden, McBrayer, McBride, McCann, McGill, McKinney, McNamara, May, Miller, Mitchell, Nett, Osborne, Parish, Paxton, Peak, Pollitte, Rattliff, Reed, Russell Reynolds, T. P. Reynolds, W. J. Reynolds, Roberts, Ruh, Salyers, Sharpe, Siemens, Simmons, Stuart, Swinford, Tobin, Van Horn, Wenz, West, Wheeler, Wible, Wright, Wyatt, Yocom. Nays 11—Blandford, H. Brown, Bruce, J. Davis, W. Davis, Huff, Isler, Lovins, Prather, Ray, Rickert.

HB 87 as amended was passed and the title agreed to.

Representative McBrayer moved that the vote by which **HB 87** as amended was passed be reconsidered and said motion be postponed indefinitely. Agreed.

Representative McBrayer moved that consideration of **HB 587, HB 452, HB 625, HB 691, HR 99, HB 489, HB 639** and

HB 684 be deferred and that they retain their position in Orders of the Day. Agreed.

HB 219 taken from Orders of the Day and ordered read at length for the third time. Representative McBrayer moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Prather moved the adoption of the following Amendment to **HB 219:**

Amend printed copy of House Bill 219 on page 2, lines 7 and 8, by:

striking those lines and substituting therefor the following:

"(c) Deduct all amounts up to $3,600 from annuities received from the federal civil service retirement system when the following conditions are met:

1. The annuitant is sixty-five or more years of age in the taxable year; and

2. The annuitant's earned income does not exceed $3,000 during the taxable year;"

Agreed.

On the roll call the vote was yeas 71—Alexander, Allen, Arnett, Blandford, Bleemel, Blume, Blythe, Archie Brown, Edward G. Brown, Carter, Chapman, Clapp, Clarke, Conn, Curlin, Deskins, Donnermeyer, Dorris, Durham, Graves, Haney, Head, Hinkle, Hughes, Isler, Keene, Keith, Kenton, Kidd, Kleier, Lewis, Lindsay, Louden, Lovins, McBrayer, McBride, McCann, McNamara, Massey, May, Mershon, Mitchell, Murphy, Nett, Parish, Paxton, Peak, Pollitte, Prather, Priddy, Rattliff, Ray, Reed, Russell Reynolds, T. P. Reynolds, W. J. Reynolds, Rickert, Ruh, Salyers, Schmidt, Siemens, Swinford, Tobin, Van Horn, Wells, Wenz, Wheeler, Wible, Wright, Wyatt, Yocom. Nays 6—DeMarcus, L. Hardin, Kessinger, King, Stuart, J. White.

HB 219 as amended was passed and the title agreed to.

Representative McBrayer moved that the vote by which **HB 219** as amended was passed be reconsidered and said motion be postponed indefinitely.

HB 252, with Committee Amendment attached thereto, taken

from Orders of the Day and ordered read at length for the third time. Representative McBrayer moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Bleemel moved the adoption of the Committee Amendment No. 1 to **HB 252.** Agreed.

Representative Bleemel moved the adoption of the following Amendment No. 2 to **HB 252:**

Amend printed copy of House Bill 252 on page 2, line 4, by:

adding before the period the following words: "with assignment to the University of Louisville School of Medicine"

Agreed.

On the roll call the vote was yeas 92—Alexander, Allen, Arnett, Baker, Bartley, Blandford, Bleemel, Blume, Blythe, Archie Brown, Edward G. Brown, Hershel Brown, Bruce, Carter, Chapman, Clapp, Clarke, Collins, Conn, Curlin, James A. Davis, Walter Davis, Deskins, Donnermeyer, Dorris, Durham, Graves, Haney, John O. Hardin, L. T. Hardin, Head, Hinkle, Holloway, Huff, Hughes, Isler, Keene, Keith, Kenton, Kessinger, Kidd, King, Knuckles, Lewis, Lindsay, Louden, Lovins, McBrayer, McBride, McCann, McGill, McKinney, McNamara, Massey, May, Mershon, Miller, Mitchell, Nett, Osborne, Parish, Paxton, Peak, Pollitte, Prather, Priddy, Rattliff, Ray, Reed, Russell Reynolds, T. P. Reynolds, W. J. Reynolds, Rickert, Ruh, Salyers, Schmidt, Sharpe, Siemens, Simmons, Stuart, Swinford, Tobin, Van Horn, Wells, Wenz, West, Wheeler, John E. White, Wible, Wright, Wyatt, Yocom. Nays 0.

HB 252 as amended was passed and the title agreed to.

Representative McBrayer moved that the vote by which **HB 252** as amended was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 717 taken from Orders of the Day and ordered read at length for the third time. Representative McBrayer moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Lewis moved that **HB 717** be laid on the Clerk's desk. Agreed.

HB 433 taken from Orders of the Day and ordered read at length for the third time. Representative McBrayer moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

On the roll call the vote was yeas 75—Alexander, Allen, Arnett, Baker, Bartley, Blandford, Bleemel, Blume, Blythe, Edward G. Brown, Hershel Brown, Carter, Chapman, Clapp, Clarke, Collins, Conn, Curlin, Deskins, Donnermeyer, Dorris, Graves, Haney, John O. Hardin, Head, Hinkle, Huff, Hughes, Isler, Keene, Keith, Kenton, Kessinger, Kidd, King, Knuckles, Lewis, Louden, Lovins, McBrayer, McBride, McCann, May, Mershon, Miller, Mitchell, Murphy, Nett, Osborne, Parish, Paxton, Peak, Pollitte, Prather, Priddy, Ray, Reed, Russell Reynolds, T. P. Reynolds, W. J. Reynolds, Rickert, Ruh, Salyers, Schmidt, Sharpe, Siemens, Simmons, Swinford, Tobin, Van Horn, Wenz, West, Wible, Wyatt, Yocom. Nays 0.

HB 433 was passed and title agreed to.

Representative McBrayer moved that the vote by which **HB 433** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 440 taken from Orders of the Day and ordered read at length for the third time. Representative McBrayer moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Pollitte moved the adoption of the following Amendment to **HB 440:**

Amend printed copy of House Bill 440 on pages 1 and 2 by striking all words below the enacting clause and substituting therefor the following:

Section 1. A new section of Chapter 150 of the Kentucky Revised Statutes is created to read as follows:

The Department may permit and regulate the use of electric or battery powered motors to propel boats used in fishing within waters owned by the department or within waters owned by the Commonwealth of Kentucky. This section shall in no way interfere with any right of the department existing at the time of this Act to regulate boating upon its own waters or those which

by deed or contract give the department the right to regulate other types of motors.

Agreed.

On the roll call the vote was yeas 83—Alexander, Allen, Arnett, Baker, Bartley, Blandford, Bleemel, Blume, Archie Brown, Edward G. Brown, Hershel Brown, Bruce, Carter, Chapman, Clapp, Clarke, Collins, Conn, Curlin, James A. Davis, Deskins, Donnermeyer, Dorris, Durham, Graves, Haney, John O. Hardin, L. T. Hardin, Head, Hinkle, Huff, Hughes, Isler, Keene, Keith, Kenton, Kessinger, Kidd, King, Kleier, Knuckles, Lewis, Lindsay, Louden, Lovins, McBrayer, McBride, McCann, McKinney, McNamara, Massey, May, Mershon, Mitchell, Murphy, Nett, Osborne, Parish, Paxton, Peak, Pollitte, Prather, Priddy, Rattliff, Ray, Reed, T. P. Reynolds, W. J. Reynolds, Rickert, Ruh, Salyers, Schmidt, Sharpe, Siemens, Simmons, Swinford, Tobin, Van Horn, Wells, Wenz, West, Wible, Wyatt. Nays 2—Blythe, W. Davis.

HB 440 as amended was passed and the title agreed to.

Representative McBrayer moved that the vote by which **HB 440** as amended was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 457 taken from Orders of the Day and ordered read at length for the third time. Representative McBrayer moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

On the roll call the vote was yeas 89—Alexander, Allen, Arnett, Baker, Blandford, Bleemel, Blume, Blythe, Archie Brown, Edward G. Brown, Hershel Brown, Bruce, Carter, Chapman, Clapp, Clarke, Collins, Conn, Curlin, James A. Davis, Walter Davis, Deskins, Donnermeyer, Dorris, Durham, Graves, Haney, L. T. Hardin, Head, Hinkle, Holloway, Huff, Hughes, Isler, Keene, Keith, Kenton, Kessinger, Kidd, King, Kleier, Knuckles, Lewis, Lindsay, Louden, Lovins, McBrayer, McBride, McCann, McKinney, McNamara, Massey, May, Mershon, Miller, Mitchell, Murphy, Nett, Osborne, Parish, Paxton, Peak, Pollitte, Prather, Priddy, Rattliff, Ray, Reed, T. P. Reynolds, W. J. Reynolds, Rickert, Roberts, Ruh, Salyers, Schmidt, Sharpe, Siemens, Simmons, Swinford, Tobin, Van Horn, Wells, Wenz, West, Wheeler, John E. White, Wible, Wyatt, Yocom. Nays 0.

HB 457 was passed and the title agreed to.

Representative McBrayer moved that the vote by which **HB 457** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

Speaker Pro Tempore Blume presiding.

HB 496, with Committee Amendment attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative McBrayer moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative J. Hardin moved the adoption of the Committee Amendment to **HB 496.** Agreed.

On the roll call the vote was yeas 48—Alexander, Allen, Baker, Bartley, Blandford, Bleemel, Archie Brown, Edward G. Brown, Hershel Brown, Bruce, Carter, Chapman, Clapp, Collins, James A. Davis, Walter Davis, Deskins, Donnermeyer, Dorris, Durham, Graves, John O. Hardin, L. T. Hardin, Hinkle, Huff, Keith, Kenton, Kessinger, Lindsay, Massey, Miller, Murphy, Osborne, Paxton, Pollitte, Rattliff, Reed, Ruh, Schmidt, Sharpe, Siemens, Simmons, Swinford, Van Horn, West, John E. White, Wible, Yocom. Nays 21—Arnett, Blythe, Clarke, Head, Hughes, Isler, Keene, King, Knuckles, Lewis, Lovins, McBride, McCann, Mershon, Mitchell, Parish, Peak, Prather, Rickert, Roberts, Wheeler.

HB 496 as amended was passed and the title agreed to.

Representative McBrayer moved that the vote by which **HB 496** as amended was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 511, with Committee Amendment attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative E. G. Brown moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative May moved the adoption of the Committee Amendment to **HB 511.** Agreed.

On the roll call the vote was yeas 80—Alexander, Allen,

Arnett, Baker, Blandford, Bleemel, Blume, Blythe, Archie Brown, Edward G. Brown, Hershel Brown, Bruce, Carter, Chapman, Clapp, Clarke, Collins, Curlin, Deskins, Donnermeyer, Dorris, Durham, Graves, Haney, L. T. Hardin, Head, Hinkle, Holloway, Huff, Hughes, Isler, Keene, Keith, Kenton, Kessinger, Kidd, King, Kleier, Knuckles, Lewis, Lindsay, Louden, Lovins, McBrayer, McBride, McCann, McGill, McKinney, McNamara, Massey, May, Mershon, Miller, Mitchell, Osborne, Parish, Paxton, Peak, Pollitte, Prather, Priddy, Rattliff, Ray, Reed, T. P. Reynolds, Rickert, Ruh, Salyers, Schmidt, Sharpe, Siemens, Simmons, Swinford, Tobin, Van Horn, Wenz, West, Wible, Wright, Yocom. Nays 0.

HB 511 as amended was passed and the title agreed to.

Representative E. G. Brown moved that the vote by which **HB 511** as amended was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 514, with Committee Substitute attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative McBrayer moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Lewis moved the adoption of the Committee Substitute for **HB 514.** Agreed.

On the roll call the vote was yeas 61—Arnett, Baker, Blandford, Bleemel, Blythe, Edward G. Brown, Hershel Brown, Bruce, Carroll, Carter, Chapman, Clapp, Walter Davis, DeMarcus, Deskins, Donnermeyer, Dorris, Durham, Graves, Haney, John O. Hardin, Head, Hinkle, Huff, Keith, Kenton, Kessinger, Kidd, King, Knuckles, Lewis, Lindsay, Louden, Lovins, McBrayer, McCann, McGill, McNamara, Massey, May, Miller, Mitchell, Murphy, Parish, Paxton, Peak, Pollitte, Ray, Reed, T. P. Reynolds, W. J. Reynolds, Ruh, Siemens, Simmons, Stuart, Swinford, Tobin, Van Horn, West, Wheeler, Wible. Nays 14—Bartley, A. Brown, Clarke, Curlin, J. Davis, L. Hardin, Isler, Keene, McBride, Osborne, Prather, Rickert, Sharpe, Wenz.

HB 514, by way of Committee Substitute, was passed and the title agreed to.

Representative McBrayer moved that the vote by which **HB 514**, by way of Committee Substitute, was passed be reconsidered and said motion be postponed indefinitely. Agreed.

The Speaker resumed the Chair.

Report on Enrolled Bills

The Committee on Enrollment reported **SR 13** had been examined and found correctly enrolled. **SR 13** read at length, compared and signed in open session by the Speaker. Ordered delivered to the Senate.

HB 155, HB 74, HB 370, HB 383, HB 402 and **HB 454** delivered to the Senate, signed by President. Ordered delivered to the Governor.

Orders of the Day (Continued)

HB 550 taken from Orders of the Day and ordered read at length for the third time. Representative McBrayer moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

On the roll call the vote was yeas 79—Alexander, Allen, Arnett, Baker, Bartley, Blandford, Bleemel, Blythe, Archie Brown, Hershel Brown, Bruce, Carroll, Carter, Chapman, Clapp, Clarke, Conn, James A. Davis, DeMarcus, Deskins, Donnermeyer, Dorris, Durham, Graves, Haney, John O. Hardin, L. T. Hardin, Head, Hinkle, Huff, Hughes, Isler, Keene, Keith, Kessinger, Kidd, King, Kleier, Knuckles, Lewis, Lindsay, Louden, Lovins, McBrayer, McBride, McCann, McKinney, McNamara, Massey, May, Mershon, Miller, Murphy, Osborne, Parish, Paxton, Peak, Pollitte, Prather, Priddy, Rattliff, Reed, Russell Reynolds, T. P. Reynolds, Ruh, Salyers, Sharpe, Siemens, Simmons, Swinford, Tobin, Van Horn, Wenz, West, Wheeler, Glenn White, Wible, Wright, Yocom. Nays 1—Rickert.

HB 550 was passed and the title agreed to.

Representative McBrayer moved that the vote by which

HB 550 was passed be reconsidered and said motion be postponed indefinitely. Agreed.

Speaker Pro Tempore Blume presiding.

HB 596 taken from Orders of the Day and ordered read at length for the third time. Representative McBrayer moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

On the roll call the vote was yeas 75—Alexander, Allen, Arnett, Baker, Blandford, Bleemel, Blume, Archie Brown, Edward G. Brown, Hershel Brown, Bruce, Carter, Chapman, Clapp, Clarke, James A. Davis, Deskins, Donnermeyer, Durham, Graves, Haney, John O. Hardin, L. T. Hardin, Head, Hinkle, Huff, Hughes, Isler, Keene, Keith, Kenton, Kessinger, King, Kleier, Lewis, Lindsay, Louden, Lovins, McBrayer, McCann, McNamara, Massey, May, Mershon, Mitchell, Osborne, Parish, Paxton, Peak, Pollitte, Prather, Priddy, Rattliff, Ray, Reed, Russell Reynolds, T. P. Reynolds, Rickert, Ruh, Salyers, Siemens, Simmons, Swinford, Tobin, Van Horn, Wells, Wenz, West, Wheeler, Glen White, John E. White, Wible, Wright, Wyatt, Yocom. Nays 1—McBride.

HB 596 was passed and the title agreed to.

Representative McBrayer moved that the vote by which **HB 596** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

Without objection, notwithstanding the Rules of the House, the House Committee on Rules will be permitted to meet immediately in the Speaker's office.

HB 634, with Committee Amendment attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative E. G. Brown moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative J. Hardin moved the adoption of the Committee Amendment to **HB 634**. Agreed.

On the roll call the vote was yeas 62—Allen, Arnett, Baker, Bartley, Blume, Blythe, Edward G. Brown, Hershel Brown,

Bruce, Carter, Chapman, Clapp, Clarke, Collins, Walter Davis, Deskins, Donnermeyer, Dorris, Graves, John O. Hardin, Hinkle, Holloway, Huff, Hughes, Keene, Keith, Kessinger, King, Kleier, Knuckles, Lewis, Louden, McBrayer, McBride, McCann, McNamara, May, Mitchell, Murphy, Osborne, Parish, Paxton, Peak, Pollitte, Rattliff, Ray, W. J. Reynolds, Roberts, Schmidt, Siemens, Simmons, Stuart, Swinford, Tobin, Van Horn, Wells, Wenz, Glenn White, John E. White, Wible, Wright, Wyatt. Nays 13—Blandford, A. Brown, Curlin, J. Davis, Head, Isler, Kenton, McKinney, Prather, R. Reynolds, Rickert, Salyers, Yocom.

HB 634 as amended was passed and the title agreed to.

Representative E. G. Brown moved that the vote by which **HB 634** as amended was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 632 taken from Orders of the Day and ordered read at length for the third time. Representative E. G. Brown moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

On the roll call the vote was yeas 79—Allen, Arnett, Baker, Bartley, Blandford, Bleemel, Blume, Blythe, Archie Brown, Edward G. Brown, Hershel Brown, Bruce, Carter, Chapman, Clapp, Clarke, Collins, James A. Davis, Walter Davis, DeMarcus, Deskins, Donnermeyer, Dorris, Durham, Graves, Haney, John O. Hardin, L. T. Hardin, Head, Hinkle, Holloway, Huff, Hughes, Isler, Keene, Keith, Kenton, Kessinger, Kidd, King, Kleier, Lindsay, Louden, Lovins, McBride, McCann, McKinney, McNamara, Massey, Mershon, Mitchell, Osborne, Parish, Paxton, Peak, Pollitte, Prather, Priddy, Rattliff, Ray, Reed, Russell Reynolds, Rickert, Ruh, Salyers, Sharpe, Siemens, Simmons, Swinford, Tobin, Van Horn, Wells, Wenz, West, Glenn White, John E. White, Wible, Wyatt, Yocom. Nays 0.

HB 632 was passed and the title agreed to.

Representative E. G. Brown moved that the vote by which **HB 632** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 489, with Committee Amendment attached thereto, taken from Orders of the Day and ordered read at length for the third

time. Representative E. G. Brown moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Murphy moved the adoption of the Committee Amendment to **HB 489**. Agreed.

On the roll call the vote was yeas 54—Baker, Bartley, Blandford, Carter, Chapman, Clapp, Clarke, Collins, Conn, Deskins, Donnermeyer, Graves, Haney, John O. Hardin, L. T. Hardin, Hughes, Isler, Keene, Keith, Kenton, Kessinger, King, Kleier, Lindsay, Louden, McCann, Massey, May, Mershon, Miller, Murphy, Parish, Paxton, Peak, Prather, Priddy, Ray, Reed, Russell Reynolds, Roberts, Ruh, Salyers, Sharpe, Siemens, Simmons, Swinford, Tobin, Van Horn, Wenz, West, Wible, Wright, Wyatt, Yocom. Nays 15—Arnett, H. Brown, Curlin, J. Davis, W. Davis, DeMarcus, Hinkle, Holloway, Huff, Lewis, Lovins, McBride, W. J. Reynolds, Rickert, Wheeler.

HB 489 as amended was passed and the title agreed to.

Representative E. G. Brown moved that the vote by which **HB 489** as amended was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 664 taken from Orders of the Day and ordered read at length for the third time. Representative E. G. Brown moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

On the roll call the vote was yeas 69—Allen, Arnett, Baker, Blandford, Bleemel, Blume, Blythe, Hershel Brown, Carroll, Carter, Chapman, Clarke, Collins, Conn, James A. Davis, Walter Davis, DeMarcus, Donnermeyer, Durham, Graves, Haney, Head, Huff, Hughes, Isler, Keith, Kenton, Kessinger, Kidd, King, Lewis, Lindsay, Louden, Lovins, McBrayer, McBride, McCann, McNamara, Massey, May, Miller, Mitchell, Murphy, Osborne, Paxton, Peak, Prather, Priddy, Ray, Reed, Russell Reynolds, T. P. Reynolds, W. J. Reynolds, Rickert, Salyers, Siemens, Stuart, Swinford, Tobin, Van Horn, Wenz, West, Wheeler, Glenn White, John E. White, Wible, Wright, Wyatt, Yocom. Nays 3—Bartley, A. Brown, Sharpe.

HB 664 was passed and the title agreed to.

Representative E. G. Brown moved that the vote by which **HB 664** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

Report of Committees

The Committee on Rules reported **HB 176** has been posted for passage in Orders of the Day, March 16, 1970.

Orders of the Day (Continued)

HB 176, with Second Committee Substitute attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative E. G. Brown moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative DeMarcus moved the adoption of the Second Committee Substitute for **HB 176.** Agreed.

On the roll call the vote was yeas 85—Alexander, Allen, Arnett, Baker, Bartley, Blandford, Bleemel, Blume, Blythe, Archie Brown, Edward G. Brown, Hershel Brown, Bruce, Carroll, Carter, Chapman, Clapp, Clarke, Collins, Conn, Curlin, James A. Davis, Walter Davis, DeMarcus, Durham, Graves, Haney, L. T. Hardin, Head, Hinkle, Holloway, Huff, Hughes, Isler, Keene, Keith, Kenton, Kessinger, Kidd, King, Knuckles, Lewis, Lindsay, Louden, Lovins, McBrayer, McBride, McCann, McKinney, Massey, May, Mershon, Mitchell, Murphy, Nett, Osborne, Parish, Paxton, Peak, Pollitte, Prather, Priddy, Rattliff, Ray, Reed, Russell Reynolds, T. P. Reynolds, W. J. Reynolds, Rickert, Salyers, Schmidt, Sharpe, Simmons, Stuart, Swinford, Tobin, Van Horn, Wells, Wenz, West, Wheeler, John E. White, Wible, Wright, Yocom. Nays 3— Donnermeyer, Kleier, G. White.

HB 176, by way of Second Committee Substitute, was passed and the title agreed to.

Representative E. G. Brown moved that the vote by which **HB 176,** by way of Second Committee Substitute, was passed

be reconsidered and said motion be postponed indefinitely. Agreed.

HB 671 taken from Orders of the Day and ordered read at length for the third time. Representative E. G. Brown moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

On the roll call the vote was yeas 82—Alexander, Allen, Arnett, Bartley, Blandford, Bleemel, Blume, Blythe, Archie Brown, Edward G. Brown, Hershel Brown, Carroll, Carter, Chapman, Clapp, Clarke, Collins, James A. Davis, DeMarcus, Donnermeyer, Dorris, Durham, Graves, Haney, John O. Hardin, L. T. Hardin, Head, Hinkle, Holloway, Huff, Hughes, Isler, Keene, Keith, Kenton, Kessinger, Kidd, King, Kleier, Knuckles, Lewis, Lindsay, Louden, Lovins, McBrayer, McBride, McCann, McNamara, Massey, May, Mershon, Miller, Mitchell, Osborne, Parish, Paxton, Peak, Pollitte, Prather, Priddy, Rattliff, Ray, Reed, T. P. Reynolds, W. J. Reynolds, Rickert, Salyers, Sharpe, Simmons, Stuart, Swinford, Tobin, Van Horn, Wells, West, Wheeler, Glenn White, John E. White, Wible, Wright, Wyatt, Yocom. Nays 3—Baker, W. Davis, Schmidt.

HB 671 was passed and the title agreed to.

Representative E. G. Brown moved that the vote by which **HB 671** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 673 taken from Orders of the Day and ordered read at length for the third time. Representative E. G. Brown moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Nett moved the adoption of the following Amendment to **HB 673:**

Amend printed copy of House Bill 673 on page 8, lines 4 and 5, by:

striking the words "in a manner to be determined by the 1972 General Assembly." and substituting therefor the following: "as to each separate governmental unit. For the purpose of this section any incorporated city is a separate governmental unit, and the total unincorporated area of the county is a separate

governmental unit. A majority of the votes cast in each unit shall determine whether the charter is ratified or rejected as to that unit."

Agreed.

Representative Nett moved the adoption of the Previous Question on **HB 673**.

On the roll call the vote was yeas 33—Blandford, Bleemel, Blume, Blythe, Edward G. Brown, Carroll, Carter, Clapp, Conn, Donnermeyer, Hinkle, Keene, Kenton, Kessinger, Kleier, Lewis, Louden, McBride, McCann, McKinney, McNamara, Massey, Mitchell, Murphy, Nett, Peak, Prather, Reed, Rickert, Roberts, Tobin, John E. White, Wible. Nays 35—Alexander, Baker, Bartley, A. Brown, H. Brown, Chapman, Collins, Freeman, Graves, J. Hardin, L. Hardin, Holloway, Huff, Hughes, Isler, Keith, Kidd, Lovins, Miller, Parish, Paxton, Pollitte, Priddy, Ray, R. Reynolds, Sharpe, Siemens, Simmons, Swinford, Van Horn, West, Wheeler, Wright, Wyatt, Yocom.

The motion that the Previous Question on **HB 673** be adopted was rejected.

Representative Yocom moved that **HB 673** be laid on the table.

On the roll call the vote was yeas 36—Alexander, Bartley, Archie Brown, Edward G. Brown, Hershel Brown, Chapman, Clapp, Collins, Walter Davis, DeMarcus, Dorris, Durham, John O. Hardin, Holloway, Hughes, Isler, Keith, Kessinger, Kidd, King, Miller, Osborne, Parish, Priddy, Ray, Russell Reynolds, Sharpe, Siemens, Simmons, Van Horn, Wells, Wenz, West, John E. White, Wright, Yocom. Nays 33—Baker, Blandford, Bleemel, Blume, Blythe, Carroll, Carter, Clarke, Conn, Graves, Head, Hinkle, Keene, Kenton, Kleier, Lewis, McBride, McCann, McKinney, Massey, May, Mitchell, Murphy, Nett, Paxton, Peak, Reed, Rickert, Roberts, Swinford, Tobin, Wible, Wyatt.

HB 673 was tabled.

HB 687 taken from Orders of the Day and ordered read at length for the third time. Representative McBrayer moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Ray moved that **HB 687** be laid on the Clerk's desk. Agreed.

Representative Blythe announced he wished to vote "nay" on **HB 737.**

Representative Graves announced he wished to change his vote from "yea" to "nay" on **HB 594.**

Representative Conn announced he wished to vote "yea" on **HB 87.**

Representative J. Hardin announced he wished to vote "yea" on **HB 176.**

HB 693 taken from Orders of the Day and ordered read at length for the third time. Representative McBrayer moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

On the roll call the vote was yeas 74—Alexander, Arnett, Baker, Blandford, Bleemel, Blume, Blythe, Edward G. Brown, Hershel Brown, Carroll, Carter, Chapman, Clarke, Conn, Curlin, James A. Davis, Deskins, Donnermeyer, Dorris, Durham, Freeman, Graves, Haney, John O. Hardin, L. T. Hardin, Head, Hinkle, Huff, Isler, Keene, Keith, Kenton, Kessinger, Kidd, King, Kleier, Lewis, Lindsay, McBrayer, McBride, McNamara, Massey, May, Mershon, Miller, Mitchell, Murphy, Osborne, Parish, Paxton, Peak, Pollitte, Priddy, Rattliff, Ray, Reed, Russell Reynolds, T. P. Reynolds, W. J. Reynolds, Rickert, Ruh, Schmidt, Sharpe, Simmons, Stuart, Swinford, Tobin, Van Horn, Wenz, West, Glenn White, John E. White, Wible, Wyatt. Nays 1—A. Brown.

HB 693 was passed and the title agreed to.

Representative McBrayer moved that the vote by which **HB 693** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 697, with Committee Substitute attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative McBrayer moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Conn moved the adoption of the Committee Substitute for **HB 697.** Agreed.

On the roll call the vote was yeas 26– Baker, Blume, Blythe, Carroll, Clarke, Conn, Curlin, Hinkle, Holloway, Keene, Kidd, Kleier, Lewis, Lindsay, McCann, McNamara, Massey, Mitchell, Nett, Peak, W. J. Reynolds, Stuart, Swinford, Wible, Wyatt, Yocom. Nays 34–Bartley, Blandford, A. Brown, H. Brown, Bruce, Chapman, W. Davis, DeMarcus, Graves, L. Hardin, Huff, Hughes, Isler, Lovins, Miller, Osborne, Paxton, Prather, Priddy, Ray, Reed, R. Reynolds, T. Reynolds, Rickert, Ruh, Schmidt, Sharpe, Siemens, Simmons, Van Horn, West, Wheeler, G. White, Wright.

HB 697, by way of Committee Substitute, was defeated.

Representative E. G. Brown moved that consideration of **HB 699** be deferred and that it retain its position in Orders of the Day. Agreed.

HB 709 taken from Orders of the Day and ordered read at length for the third time. Representative E. G. Brown moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

On the roll call the vote was yeas 74–Alexander, Allen, Arnett, Bartley, Blandford, Bleemel, Archie Brown, Edward G. Brown, Hershel Brown, Bruce, Carroll, Carter, Chapman, Clapp, Clarke, Curlin, Deskins, Donnermeyer, Dorris, Durham, Graves, Haney, John O. Hardin, L. T. Hardin, Head, Hinkle, Huff, Hughes, Isler, Keene, Keith, Kenton, Kessinger, Kidd, King, Knuckles, Lewis, Lindsay, Louden, Lovins, McBrayer, McBride, McCann, McNamara, May, Mershon, Miller, Mitchell, Nett, Osborne, Parish, Paxton, Peak, Pollitte, Prather, Priddy, Ray, Reed, W. J. Reynolds, Rickert, Roberts, Ruh, Sharpe, Siemens, Simmons, Swinford, Tobin, Van Horn, West, Wheeler, Glenn White, John E. White, Wible, Wright. Nays 2–Baker, McKinney.

HB 709 was passed and the title agreed to.

Representative E. G. Brown moved that the vote by which **HB 709** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

Senate Message

Announcing passage of **HB 46, HB 303, HB 204, HB 88, SB 359, SB 389, SB 378** and **SB 135.**

Orders of the Day (Continued)

Representative W. J. Reynolds announced he wished to vote "yea" on **HB 176.**

HB 721 taken from Orders of the Day and ordered read at length for the third time. Representative E. G. Brown moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

On the roll call the vote was yeas 68—Alexander, Allen, Arnett, Bartley, Blandford, Bleemel, Blythe, Archie Brown, Edward G. Brown, Hershel Brown, Carroll, Carter, Chapman, Clapp, Clarke, James A. Davis, DeMarcus, Deskins, Donnermeyer, Dorris, Durham, Freeman, Graves, Haney, L. T. Hardin, Head, Hinkle, Isler, Keene, Keith, Kenton, Kidd, Knuckles, Lewis, Lindsay, Louden, Lovins, McBrayer, McBride, Massey, May, Mershon, Miller, Mitchell, Osborne, Peak, Priddy, Reed, Russell Reynolds, T. P. Reynolds, W. J. Reynolds, Roberts, Ruh, Salyers, Schmidt, Sharpe, Siemens, Simmons, Stuart, Tobin, Van Horn, Wells, Wenz, West, Wheeler, John E. White, Wible, Wright. Nays 3—Paxton, Prather, Rickert.

HB 721 was passed and the title agreed to.

Representative E. G. Brown moved that the vote by which **HB 721** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 727 taken from Orders of the Day and ordered read at length for the third time. Representative E. G. Brown moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Lewis moved the adoption of the following Amendment to **HB 727:**

Amend printed copy of House Bill 727 on page 5, line 23, by:

deleting the word "atach" and inserting in lieu thereof the word *"attach"*.

Agreed.

On the roll call the vote was yeas 77—Alexander, Allen, Arnett, Baker, Blandford, Bleemel, Blythe, Archie Brown, Edward G. Brown, Hershel Brown, Carroll, Carter, Chapman, Clapp,

Clarke, Conn, James A. Davis, DeMarcus, Deskins, Donnermeyer, Dorris, Durham, Freeman, Graves, Haney, L. T. Hardin, Head, Hinkle, Huff, Hughes, Isler, Keene, Keith, Kenton, Kessinger, Kidd, King, Kleier, Lewis, Lindsay, Louden, Lovins, McBrayer, McBride, McCann, McKinney, McNamara, Massey, Mershon, Mitchell, Nett, Parish, Paxton, Peak, Pollitte, Prather, Priddy, Ray, Reed, Russell Reynolds, T. P. Reynolds, W. J. Reynolds, Rickert, Salyers, Siemens, Simmons, Stuart, Swinford, Tobin, Van Horn, Wenz, West, Wheeler, John E. White, Wible, Wright, Wyatt. Nays 0.

HB 727 as amended was passed and the title agreed to.

Representative E. G. Brown moved that the vote by which **HB 727** as amended was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 206, with Committee Amendment attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative E. G. Brown moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Hughes moved the adoption of the Committee Amendment to **HB 206.** Agreed.

Representative Roberts moved that **HB 206** as amended be laid on the Clerk's desk. Rejected.

On the roll call the vote was yeas 55—Alexander, Allen, Arnett, Blandford, Bleemel, Edward G. Brown, Hershel Brown, Carroll, Carter, Chapman, Conn, Curlin, Deskins, Donnermeyer, Graves, Haney, John O. Hardin, Hinkle, Holloway, Hughes, Isler, Keene, Kenton, Kidd, King, Kleier, Knuckles, Lewis, Louden, McBride, McNamara, Miller, Mitchell, Murphy, Nett, Parish, Peak, Pollitte, Prather, Priddy, Ray, Russell Reynolds, T. P. Reynolds, W. J. Reynolds, Rickert, Salyers, Siemens, Stuart, Tobin, Van Horn, Wenz, Wible, Wright, Wyatt, Yocom. Nays 16—Clarke, W. Davis, DeMarcus, Lovins, McKinney, Osborne, Paxton, Reed, Roberts, Ruh, Schmidt, Simmons, Swinford, West, G. White, J. White.

HB 206 as amended was passed and the title agreed to.

Representative E. G. Brown moved that the vote by which

HB 206 as amended was passed be reconsidered and said motion be postponed indefinitely. Agreed.

Senate Message

Announcing passage of **SB 224, SB 286** and **SB 309.**

Representatives Yocom and Holloway announced they wished to change their votes from "yea" to "nay" on **HB 697.**

Orders of the Day (Continued)

HB 294 taken from Orders of the Day and ordered read at length for the third time. Representative E. G. Brown moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Massey moved that **HB 294** be laid on the table.

On the roll call the vote was yeas 43—Alexander, Arnett, Baker, Blume, Blythe, Hershel Brown, Bruce, Clapp, Curlin, James A. Davis, Walter Davis, DeMarcus, Dorris, Durham, Head, Hinkle, Holloway, Huff, Hughes, Keene, Keith, Kleier, Lovins, McCann, McNamara, Massey, Miller, Osborne, Pollitte, Reed, Russell Reynolds, W. J. Reynolds, Roberts, Schmidt, Siemens, Stuart, Swinford, Tobin, Wells, Wenz, West, Glenn White, John E. White. Nays 39—Bartley, Blandford, A. Brown, Carter, Chapman, Clarke, Conn, Deskins, Donnermeyer, Freeman, Graves, Haney, J. Hardin, Isler, Kenton, Kessinger, Kidd, King, Knuckles, Lewis, Lindsay, McBrayer, McBride, McKinney, May, Mershon, Mitchell, Paxton, Peak, Prather, Priddy, Rattliff, Ray, Rickert, Ruh, Van Horn, Wheeler, Wible, Wyatt.

HB 294 was tabled.

HR 103 taken from Orders of the Day. Representative McBrayer moved that it be placed upon its passage. Agreed.

Representative Rickert moved the adoption of **HR 103.** Agreed.

HR 103, A RESOLUTION commending the Gates Rubber Company for its contribution to the Commonwealth.

WHEREAS, Gates Rubber Company opened a plant in Elizabethtown, Kentucky, in 1964 for the production of Poly*flex* belts and

WHEREAS, the Gates Rubber Company at Elizabethtown presently employs 500 persons, representing an annual payroll in excess of $2,750,000, thus providing economic stability for the community and a good foundation for further growth; and

WHEREAS, the Gates Rubber Company installation formed a nucleus of an industrial complex which has attracted other major industry to Elizabethtown; and

WHEREAS, the benefits of this industrial development are evident in the growth of the population of the city and the designation in 1967 and 1968 of the city as an "All-Kentucky" city; and

WHEREAS, employes of the Gates Rubber Company are active in a variety of programs in cooperation with merchants and other residents of the area designed to make Elizabethtown a better community in which to live;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

Section 1. That the Gates Rubber Company be, and it hereby is, praised and commended as an excellent corporate citizen of Kentucky, whose contribution to the Commonwealth are appreciated by all citizens of Kentucky.

Section 2. That the Clerk of the House of Representatives be, and he hereby is, authorized and directed to mail copies of this resolution to Mr. Charles C. Gates, President, Gates Rubber Company, Denver, Colorado, and Mr. Harold Palmer, Manager, Gates Rubber Company, Elizabethtown, Kentucky.

HB 194, with Committee Amendment attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative McBrayer moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Wible moved the adoption of the Committee Amendment to **HB 194**. Agreed.

Representative R. Reynolds moved that **HB 194** as amended be laid on the table.

On the roll call the vote was yeas 39—Alexander, Allen, Bartley, Bleemel, Archie Brown, Hershel Brown, Clapp, Curlin, James A. Davis, DeMarcus, Graves, Haney, L. T. Hardin, Hinkle, Holloway, Huff, Isler, Lewis, Louden, Lovins, McBride, McCann, McKinney, Mershon, Osborne, Prather, Reed, Russell Reynolds, Rickert, Salyers, Schmidt, Sharpe, Siemens, Tobin, Wenz, West, Wheeler, Glenn White, John E. White. Nays 19—Blandford, Blythe, Carter, Chapman, Clarke, Deskins, Durham, J. Hardin, Kenton, King, Lindsay, May, Mitchell, Paxton, Simmons, Swinford, Van Horn, Wible, Yocom.

HB 194 as amended was tabled.

HB 500 taken from Orders of the Day and ordered read at length for the third time. Representative McBrayer moved that it be read by title only and placed upon its passage.

Representative Keene moved the adoption of the following Amendment to **HB 500:**

Amend printed copy of House Bill 500 by:

striking all words after the enacting clause and substituting in lieu thereof the following:

"Section 1. A new section of Chapter 235 of the Kentucky Revised Statutes is created to read as follows:

As used in this Act, unless the context clearly indicates otherwise, the following words shall have the following meanings:

(1) "Motorboat" means any vessel propelled by machinery, whether or not such machinery is the principal source of propulsion, but shall not include a vessel which has a valid marine document issued by the Bureau of Customs of the United States Government or any federal agency successor thereto;

(2) "Vessel" means every description of watercraft, other than a seaplane on the water, used or capable of being used as a means of transportation on water;

(3) "Person" or "persons" means any individual, public or

private corporation, political subdivision, government agency, municipality, industry, copartnership, association, firm, trust, estate, or other entity whatsoever;

(4) "Sewage" means the water-carried human or animal wastes from residences, buildings, industrial establishments, or other places together with such industrial wastes, underground, surface, storm or other water, as may be present;

(5) "Industrial Wastes" means liquid, or other wastes resulting from any process of industry, manufacture, trade or business, or from the development of any natural resource;

(6) "Other Wastes" means sawdust, bark or other wood debris, garbage, refuse, ashes, offal, tar, oil, chemicals, acid drainage and all other foreign substances not included within the above definitions of industrial wastes and sewage which may cause or contribute to the pollution of any waters of the Commonwealth.

Section 2. A new section of Chapter 235 of the Kentucky Revised Statutes is created to read as follows:

No person shall discharge or permit the discharge of sewage, industrial wastes or other wastes to the waters of the Commonwealth from any vessel except as specifically authorized by the Kentucky Water Pollution Control Commission.

Section 3. A new section of Chapter 235 of the Kentucky Revised Statutes is created to read as follows:

No person shall dispose of sewage accumulated in a holding tank or other similar container on a vessel in such manner that the sewage reaches or may reach the waters of the Commonwealth except through a disposal system or treatment works approved by the Kentucky Water Pollution Control Commission.

Section 4. A new section of Chapter 235 of the Kentucky Revised Statutes is created to read as follows:

No motorboat equipped with marine toilet facilities shall be operated on the waters of the Commonwealth unless such motorboat is equipped with a water pollution control device of one of the following types:

(1) *Holding tanks.* Holding tanks approved for use as water pollution control devices shall meet the following criteria:

(a) Be so constructed and installed as to provide for discharge of its contents only by pumping and to eliminate discharges by gravity flow;

(b) Be constructed of materials capable of withstanding the corrosive effects of sewage and odor inhibitors;

(c) Be vented so as to prevent the escape of gases and odors to motorboat interiors.

(2) *Incinerators.* Incinerators approved for use as water pollution control devices shall meet the following criteria:

(a) Be so designed and constructed as to reduce sewage completely to an inert ash and provide a satisfactory means of ash removal;

(b) Be vented so as to prevent the escape of gases and odors to motorboat interiors and otherwise minimize the presence of objectionable conditions. Forced air ventilation must be provided for use at all times during the incineration operating cycle;

(c) Provide safeguards to minimize the dangers of shock or explosion from operation of the unit.

(3) *Devices with effluent discharges.* Types of water pollution control devices providing for discharges of treated sewage to the waters of the Commonwealth shall be approved or disapproved on an individual basis by the Kentucky Water Pollution Control Commission. In approving or disapproving such types of devices the Kentucky Water Pollution Control Commission shall consider whether the quality of performance of the type of device has been certified by the National Sanitation Foundation or a comparable national testing agency approved by the Kentucky Water Pollution Control Commission as meeting its criteria and the Kentucky Water Pollution Control Commission shall consider such other factors as it deems appropriate to prevent and abate water pollution.

All water pollution control devices approved for use on motorboats with marine toilet facilities shall be maintained in satisfactory working condition at all times that the motorboat is in operation.

This section shall be applicable to such motorboats as have been licensed in the State of Kentucky prior to July 1, 1969, on and after January 1, 1971. This section shall be applicable to all other motorboats on and after January 1, 1971.

Section 5. A new section of Chapter 235 of the Kentucky Revised Statutes is created to read as follows:

For purposes of this regulation, a motorboat shall not be deemed to be equipped with marine toilet facilities if the facilities are rendered inoperable in a manner approved by the Kentucky Water Pollution Control Commission.

Section 6. A new section of Chapter 235 of the Kentucky Revised Statutes is created to read as follows:

This regulation shall not be construed to permit any practice which is in violation of any Federal, state or local statute, ordinance or regulation concerning boating safety.

Section 7. A new section of Chapter 235 of the Kentucky Revised Statutes is created to read as follows:

The Kentucky Water Pollution Control Commission shall, upon request, furnish interested persons a list of the approved types of water pollution control devices currently available and acceptable for use on motorboats on the waters of the Commonwealth.

Section 8. A new section of Chapter 235 of the Kentucky Revised Statutes is created to read as follows:

The Kentucky Water Pollution Control Commission shall issue such regulations and standards and approve such equipment as may be necessary for the proper enforcement of the provisions of this Act.

Section 9. This Act shall become effective January 1, 1971."

Agreed.

On the roll call the vote was yeas 70—Alexander, Arnett, Baker, Blandford, Bleemel, Blythe, Edward G. Brown, Bruce, Carroll, Carter, Chapman, Clapp, Clarke, Curlin, James A. Davis,

Deskins, Donnermeyer, Dorris, Durham, Freeman, Graves, Haney, John O. Hardin, Head, Hinkle, Holloway, Huff, Isler, Keene, Keith, Kenton, Kidd, Kleier, Knuckles, Lewis, Lindsay, Louden, Lovins, McBride, McCann, Massey, May, Mershon, Mitchell, Osborne, Paxton, Pollitte, Prather, Priddy, Rattliff, Ray, Reed, Russell Reynolds, Rickert, Schmidt, Siemens, Simmons, Stuart, Swinford, Tobin, Van Horn, Wells, Wenz, West, Wheeler, Glenn White, John E. White, Wible, Wright, Yocom. Nays 5—A. Brown, Kessinger, King, Parish, Salyers.

HB 500 as amended was passed and the title agreed to.

Representative Keene moved that the vote by which **HB 500** as amended was passed be reconsidered and said motion be postponed indefinitely. Agreed.

Representative West announced he wished to vote "yea" on **HB 398.**

Representative West announced he wished to vote "yea" on **HB 526.**

Representative Massey filed an amendment to **HB 684.**

Representative Blume filed two amendments to **HB 264.**

Representative Lewis filed an amendment to **HB 663.**

Representative Yocom filed an amendment to **SB 351.**

Representative Ray filed an amendment to **HB 687.**

HB 687 taken from Orders of the Day and ordered read at length for the third time. Representative McBrayer moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Ray moved the adoption of the following Amendment to **HB 687:**

Amend printed copy of House Bill 687 on page 2, by: adding, following line 3, a new section to read as follows:

"No provision of this Act shall apply to any licensed hospital within the Commonwealth of Kentucky."

Agreed.

On the roll call the vote was yeas 74—Alexander, Baker,

Bartley, Blandford, Bleemel, Blythe, Archie Brown, Hershel Brown, Carter, Chapman, Clapp, Conn, Curlin, James A. Davis, Deskins, Donnermeyer, Dorris, Durham, Graves, Haney, John O. Hardin, L. T. Hardin, Head, Hinkle, Holloway, Huff, Isler, Keene, Keith, Kenton, Kessinger, Kidd, King, Kleier, Lewis, Lindsay, Louden, Lovins, McBrayer, McBride, McCann, McKinney, McNamara, May, Mershon, Miller, Mitchell, Nett, Osborne, Parish, Paxton, Pollitte, Prather, Priddy, Rattliff, Ray, Reed, Russell Reynolds, Rickert, Roberts, Salyers, Sharpe, Siemens, Simmons, Stuart, Swinford, Tobin, Van Horn, Wenz, West, John E. White, Wible, Wright, Yocom. Nays 1—Clarke.

HB 687 as amended was passed and the title agreed to.

Representative McBrayer moved that the vote by which **HB 687** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

Representative Freeman announced he wished to vote "yea" on **HB 176.**

Reference of Bills and Resolutions

The Committee on Committees has referred the following Bills and Resolutions:

Judiciary: **SB 135, SB 224, SB 286.**

Appropriations and Revenue: **SB 359.**

Cities: **SB 389.**

State Government: **SB 378.**

Health and Welfare: **SB 309.**

Report of Committees

The Committee on Rules reported **HB 692, HR 45, HB 148, HB 502, HB 447, HB 580, HB 471, HB 650, HB 715, HB 729, HB 558, HB 619, HR 105, SB 24, SB 35, SB 138, SB 149, SB 150, SB 172, SB 191, SB 70, SB 303, SB 6, SB 167, SB 283, SB 290, SB 7, SB 67, SB 259, SB 261, SB 304, SR 36** and **SB 193** have been posted for passage in Orders of the Day, March 17, 1970.

Introduction of Bills and Resolutions

HR 115, by Representatives Curlin, H. West and Swinford: A RESOLUTION honoring Kentucky State College.

HR 116, by Representatives Rattliff, Durham, Osborne and H. Brown: A RESOLUTION requesting the construction of Highway 55 from the Bluegrass Parkway through the South Central Kentucky Area.

HR 117, by Representatives Carter, Swinford, Wible, Deskins, Lovins, May, Durham, McNamara, Hinkle, Rickert, Miller, Van Horn, West, Wheeler, Wells, Louden, Keith, Alexander, McBrayer, Baker, Parish, Hughes, Wenz, Blythe, R. Reynolds, Isler, Curlin, Keene, Tobin, Peak, Schmidt, Chapman, Kenton, J. O. Hardin, Mershon, Bleemel, Kessinger, Haney, Priddy, Prather, Nett, Ray and Kleier: A RESOLUTION commending Adolph Rupp and the University of Kentucky Basketball team.

Announcements

The Clerk announced the following Bills and Resolutions have been posted for consideration:

Judiciary: **SB 43, SB 382, SB 94, SB 135.** (Basement, March 17, 1970, 10:00 a.m.)

Cities: **SB 266, SB 389.** (Room 401, March 17, Recess)

State Government: **SB 319, SR 56, SB 378.** (Room 401, March 17, 1970, 10:45 a.m.)

Appropriations and Revenue: **SB 386, SB 323.** (Room 305, March 17, 1970, 10:00 a.m.)

Highways and Traffic Safety: **SB 80, SB 127.** (March 17, 1970, 11:00 a.m.)

Labor and Industry: **HB 334, HB 335, HB 508, HB 545, HB 547, HB 706, HB 726, SB 211.** (Room 401, March 17, 9:30 a.m.)

Business Organization and Professions: **SB 295, SB 354, SB 388.** (Room 402, March 17, 1970, 11:30 a.m.)

Health and Welfare: **SB 289.** (Room 401, March 16, 1970, on adjournment)

Elections and Constitutional Amendments: **SB 233.** (Room 402, March 17, 1970, 10:45 a.m.)

Representative Arnett moved that the House adjourn until 12 noon, Tuesday, March 17, 1970. Agreed.

TUESDAY, MARCH 17, 1970

FIFTY-SEVENTH LEGISLATIVE DAY

The House was called to order by Speaker Pro Tempore Blume.

Prayer by the Reverend Robert Insko, Church of the Ascension, Frankfort.

The roll was called. All present except Representatives Collins and Floyd.

Representative Isler moved that absent members be granted leave of absence. Agreed.

Representative McNamara moved that the reading of the Journal of March 16, 1970, be dispensed with and the same approved. Agreed.

Introduction of Bills and Resolutions

HR 118, by Representatives Hughes, Prather and Rickert: A RESOLUTION commending Kentucky's 1970 Junior Miss and inviting her to be a guest of the House of Representatives.

HR 119, by Representatives Hinkle, Carroll, Parish, Siemens, Wyatt and Prather: A RESOLUTION relating to community colleges.

Report of Committees

The Committee on Health and Welfare reported **SB 281, SB 289,** and **HB 644** with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

SB 281, AN ACT relating to mining.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. A new section of Chapter 352 of the Kentucky Revised Statutes is created to read as follows:

The General Assembly finds and declares that:

(1) Coal worker's pneumoconiosis, commonly known as "black lung," is a chronic disease of the lungs arising out of employment exposure in coal mines;

(2) The number of miners both active and retired who suffer from this occupational disease is such as to attract widespread concern and attention throughout the Commonwealth and nation;

(3) It has been medically established that employment exposure to harmful dust in underground coal mines aggravates and accelerates the pulmonary conditions of persons who suffer from tuberculosis, bronchitis and other pulmonary diseases, and results in coal worker's pneumoconiosis which ultimately causes total disability creating serious health and economic problems; and

(4) By reason thereof, there is an urgent need to provide more effective means and measures to control and prevent this occupational disease originating in coal mines within the Commonwealth.

Section 2. Section 352.020 of the Kentucky Revised Statutes is amended to read as follows:

(1) As used in this chapter, unless the context requires otherwise:

(a) "Approved safety lamp" means any bonneted lamp that bears the approval plate of the Federal Bureau of Mines and is approved by the Department of Mines and Minerals of this state.

(b) "Commissioner" means Commissioner of the Department of Mines and Minerals.

(c) "Department" means the Department of Mines and Minerals.

(d) "Excavations and workings" includes all the excavated portions of a mine, whether abandoned or being worked, all underground workings, shafts, tunnels, ways and openings,

whether completed or in the course of being sunk or driven, and all roads, appliances, machinery and material connected therewith below the surface.

(e) *"Mine operator" means any owner, lessee or other person who operates, controls or supervises a coal mine.*

(f) "Tipple or dumping point" means the tipple or structure where coal is dumped or unloaded from the mine car into railroad cars, trucks, wagons or other means of conveyance.

(2) The definitions in KRS 351.010 apply also to this chapter, unless the context requires otherwise.

(3) Except as the context otherwise requires, this chapter applies only to commercial mines defined in KRS 351.010.

Section 3. A new section of Chapter 352 of the Kentucky Revised Statutes is created to read as follows:

Every person who seeks employment in an underground coal mine shall, prior to employment, submit to a comprehensive physical, clinical and X-ray examination by a duly licensed physician. The physician shall promptly following such examination make a full and complete written report of the results thereof, including but not limited to whether or not the person examined suffers from a pulmonary disease which would be aggravated or accelerated by exposure to harmful mine dust. The examining physician shall give the person examined or his family physician a copy of the report and a copy thereof shall be delivered to the mine operator.

Section 4. A new section of Chapter 352 of the Kentucky Revised Statutes is created to read as follows:

No person who, as a result of such medical examination, is found to have a physical condition that would be aggravated by work exposure to harmful dust in an underground coal mine shall be employed by any mine operator for work in an underground coal mine. This prohibition shall remain in effect until such time that a subsequent examination reveals that work in an underground coal mine would not impair the person's health.

Section 5. A new section of Chapter 352 of the Kentucky Revised Statutes is created to read as follows:

The mine operator to whom the application for employment is made shall pay the cost of such medical examination, and the medical report shall be kept on file in the mine office subject to inspection by the Department of Labor and the Kentucky Bureau of Rehabilitation Services.

Section 6. A new section of Chapter 342 of the Kentucky Revised Statutes is created to read as follows:

If a respiratory or pulmonary disease is aggravated or accelerated in any degree by the failure of the employer to comply with the provisions of this Act, the compensation to which the employe would otherwise have been entitled to under this Chapter shall be increased 20 percent in the amount of each payment.

SB 289, AN ACT relating to tuberculosis control.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. A new section of Chapter 215 of the Kentucky Revised Statutes is created to read as follows:

This Act may be cited as the "State Tuberculosis Control Act of 1970."

Section 2. A new section of Chapter 215 of the Kentucky Revised Statutes is created to read as follows:

There shall be a merger of the State Tuberculosis Hospital Commission and the Tuberculosis Control Section of the State Department of Health to create a Division of Tuberculosis Control, with authority to relate to all aspects of tuberculosis control, including prevention, case finding, treatment and hospitalization, and to provide for the creation of a Tuberculosis Commission.

Section 3. A new section of Chapter 215 of the Kentucky Revised Statutes is created to read as follows:

The Director of the Division shall be a duly qualified physician, licensed to practice medicine in Kentucky and shall have had at least five years experience in the diagnosis, treatment, and control of tuberculosis. The State Department of

Health, through its Division of Tuberculosis Control, shall discharge all duties relating to all matters of tuberculosis control, including but not limited to the following:

(1) The operation of all hospitals previously operated by the State Tuberculosis Hospital Commission, or such of them as it determines to be necessary for the care of persons needing treatment for tuberculosis;

(2) The treatment of persons having tuberculosis in hospitals not operated by the Commonwealth, by contract or other suitable arrangement and the payment therefor;

(3) The construction of additional facilities for the treatment of tuberculosis in cooperation with, or as a part of, privately or publicly owned hospitals;

(4) The operation of a system of out-patient clinics and x-ray facilities, adequately supported by high quality laboratory facilities;

(5) The provision of training for employees;

(6) The supervision of activities of all local health departments regarding tuberculosis control;

(7) The recommendation of regulations to the State Board of Health for adoption for tuberculosis control;

(8) The maintenance of a central register of all known cases of tuberculosis in the Commonwealth, and such local registers as are desirable, and the collection, collation, analysis and publication of statistics and other information;

(9) The establishment and supervision of tuberculosis programs in cooperation with the Department of Mental Health, Department of Corrections, Department of Education, Department of Economic Security and other state agencies within their respective jurisdictions;

(10) The establishment within the Tuberculosis Control Division of appropriate social service and financial responsibility appraisal methods to insure that tuberculosis patients or suspects receive all possible support from third-party payors, or from the Medical Assistance Program before becoming a charge against the Tuberculosis Control Funds of the Commonwealth;

(11) The dissemination of educational materials to the citizens of the Commonwealth regarding tuberculosis and its control;

(12) The initiation of special programs and demonstrations in cooperation with agencies of the Federal Government, universities, voluntary agencies and other individuals or corporations;

(13) The provision of direct assistance to local health departments, to other agencies of State government, and to other organizations to assist them in carrying out programs of tuberculosis control;

(14) Except as otherwise provided by law, to do all other things reasonably necessary to carry out the intent of this Act.

Section 4. A new section of Chapter 215 of the Kentucky Revised Statutes is created to read as follows:

(1) The Tuberculosis Commission shall consist of nine members. The Commissioner of Health shall be an ex officio member and the other eight members shall be appointed by the Governor for terms of four years each or until their successors are appointed and qualify, except that of the four members first appointed by the Governor, one shall be appointed for a term of one year, one shall be appointed for a term of two years, one shall be appointed for a term of three years, and one shall be appointed for a term of four years. Except as hereinabove provided, the appointive members shall include: four physicians appointed from a list of three nominees for each position submitted by the Kentucky Medical Association; one local health officer, appointed from a list of three nominees submitted by the Commissioner of Health; one registered nurse, appointed from a list of three nominees submitted by the Kentucky Nurses' Association; one member appointed from a list of three nominees submitted by the Kentucky Tuberculosis and Respiratory Disease Association and one citizen at large. Provided, however, that the four appointed members of the former State Tuberculosis Hospital Commission shall immediately, upon the effective date of this Act, become members of the Tuberculosis Commission for the remainder of their appointed terms and shall be eligible for reappointment once. Appointive members shall not be eligible to serve more than two consecutive terms.

(2) The Commission shall annually elect a chairman for its membership, for a term of one year. No member shall serve more than two successive terms as chairman. The Commission shall meet regularly and at the call of the chairman or upon written request of a majority of the Commission members, at such time and place as is designated in the call.

(3) The members of the Commission, other than the Commissioner of Health, shall be reimbursed for their actual and necessary expenses in attending meetings of the Commission and otherwise in performing their duties.

(4) The function of the Commission shall be to study all aspects of tuberculosis control and to propose regulations to the State Board of Health to further the policies and objectives of this Act.

Section 5. A new section of Chapter 215 of the Kentucky Revised Statutes is created to read as follows:

Sections 5 to 9 of this Act may be referred to as the "Kentucky Recalcitrant Tuberculosis Patient Control Law." The General Assembly hereby recognizes and declares that persons with communicable tuberculosis have a legal duty and responsibility to the public to take reasonable precautions to prevent the spread of the disease.

Section 6. A new section of Chapter 215 of the Kentucky Revised Statutes is created to read as follows:

(1) No person diagnosed as having tuberculosis and having been so informed shall refuse to submit himself for further examination to determine the communicability of his disease upon reasonable request by the State or local health department.

(2) No person diagnosed as having communicable tuberculosis and having been so informed shall refuse to take such reasonable precautions, including hospitalization if indicated, as may be required by the local health department or by the regulations of the State Board of Health to protect the public from infection.

Section 7. A new section of Chapter 215 of the Kentucky Revised Statutes is created to read as follows:

Whenever a health officer, physician, member of the family or other person has reasonable cause to suspect that a person has tuberculosis and that such person has failed to comply with the provisions of this Act he may make an affidavit before any court or judge thereof reciting such facts and circumstances and the court or judge thereof shall thereafter direct that the person suspected of being afflicted with communicable tuberculosis submit to an examination either by a licensed practicing physician of his own choice at his own expense or by a physician appointed by the local health department at the expense of the county. The examination shall include both physical and laboratory examinations and shall be conducted according to such rules and regulations as may be promulgated by the State Board of Health and shall be reported upon forms furnished by said board.

Section 8. A new section of Chapter 215 of the Kentucky Revised Statutes is created to read as follows:

(1) If the court shall find from the evidence or upon a plea of guilty that the person being proceeded against has not submitted to an examination to determine the communicability of his disease as required by Section 6 (1) of this Act, the court shall enter an order directing that an examination be conducted as provided in this Act.

(2) If the court shall find from the evidence or upon a plea of guilty that the person being proceeded against has been diagnosed as having communicable tuberculosis and has refused to take such reasonable precautions, including hospitalization if indicated, as may be required by the local health department or by the regulations of the State Board of Health to protect the public from infection, as provided in Section 6 (2) of this Act, he shall be guilty of a misdemeanor and shall be punished by a fine of five hundred dollars or by imprisonment for six months, or both. Provided, however, that the court may place the defendant on probation provided he consents to enter, and does forthwith enter an institution approved by the court for treatment of such condition and remains therein until medically discharged by said institution. Failure of the defendant to do so shall automatically revoke his probation and require the prompt entry of judgment and service of sentence in the county jail if suitable facilities are available or to such other facilities as may

be established or contracted for by the State Department of Health for this purpose.

Section 9. A new section of Chapter 215 of the Kentucky Revised Statutes is created to read as follows:

The city, county and Commonwealth's attorneys and the Attorney General, within their respective jurisdictions, shall represent the affiant in the enforcement of the provisions of this Act. However, a county health department may employ an attorney to represent it in proceedings under this Act and pay such attorney reasonable compensation therefor from any unexpended funds at its disposal.

Section 10. A new section of Chapter 215 of the Kentucky Revised Statutes is created to read as follows:

(1) It shall be the responsibility of every physician, hospital, nursing home, personal care home, or other institution or any other person who has knowledge of any person who has tuberculosis, to report such to the local health department in accordance with the rules and regulations of the State Board of Health.

(2) No legal action shall lie against any physician, hospital employee, laboratory employee, or other person who, in good faith, reports a case of tuberculosis or the isolation of the tubercule bacillus as provided in this Act.

Section 11. Sections 215.005, 215.006, 215.007, 215.008, 215.009, 215.012, 215.061, 215.062, 215.063, 215.064, 215.066, 215.067, 215.068, 215.069, 214.030, 214.330, 214.340, 214.350, 214.360, 214.370 and subsections (13) and (14) of 214.990 of the Kentucky Revised Statutes are repealed.

Section 12. This Act shall become effective July 1, 1970.

HB 644, AN ACT relating to the licensing of child-placing institutions and agencies, child-caring institutions, and group homes.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Section 199.011 of the Kentucky Revised Statutes is amended to read as follows:

(1) "Commissioner" means Commissioner of Child Welfare;

(2) "Department" means the Department of Child Welfare;

(3) "Child" means any person who has not reached his eighteenth birthday;

(4) "Neglected or dependent child" means any child who is under such improper parental care and control or guardianship as to injure or endanger the morals, health or welfare of himself or others;

(5) "Abandoned child" means any child who by reason of the desertion of his parents or guardian is in destitute circumstances;

(6) "Child-caring institution or agency" means any *facility* [agency or institution] other than a state institution or one certified by an appropriate agency as operated primarily for educational or medical purposes, in which four or more children, not related by blood, adoption or marriage to the person maintaining the *facility* [institution], are cared for and maintained for compensation or otherwise *on a twenty-four hour basis. "Child-caring institution or agency" does not mean a group home or foster family home but "child caring institutions or agencies" may operate group homes or foster family homes.*

(7) "Child-placing institution or agency" means *an organization* [any agency or institution] other than a state agency which arranges for the placement of children in *foster family homes, group homes,* [child caring homes] or child-caring institutions, or which arranges for the placement of children for adoption. [;] *"Child-placing institutions or agencies" may operate and place children in foster family homes and group homes.*

(8) "Child welfare worker" means an employe of the department designated as such by the Commissioner or social worker employed by a county or city who has been approved by the department to handle, under its supervision, services to children;

(9) "Boarding home or foster parent" as used in subsection (4) of KRS 199.600 means persons who board children held in custody by the department.

(10) "Foster family home" means a home in which children are placed for family living by the department or by a child-caring institution or child-placing institution or agency licensed to do so.

(11) "Group home" means a family type dwelling, not adjacent to or part of an institutional campus, owned or leased by an agency, institution, or other sponsoring organization, in which homelike care is provided for a maximum of eight foster children who participate in community activities and/or utilize community resources.

Section 2. Section 199.640 of the Kentucky Revised Statutes is amended to read as follows:

(1) [On and after July 1, 1959,] *No* [no] person, association or organization shall conduct, operate or maintain any child-caring or child-placing institution, [or] agency *or group home* without having a license to do so issued by the department.

(2) Licenses issued the agency, [or] institution *or group home* shall be valid *for one year unless* [until] revoked sooner by the department. *Each* [each] licensed agency, [or] institution *or group home* shall be visited and inspected by a person authorized by the department at least once each year and a complete report of such visit or inspection *shall* be filed with the department. Each license issued shall specify the type of service the licensee is authorized to perform. The commissioner may adopt regulations establishing standards of care and service for child-caring institutions, [and] child-placing institutions, [and] agencies *and group homes* relating to the sanitary and hygienic conditions, the facilities available for each child, the diet provided, the safety of the child from fire and other accidents and hazards, and such other factors as may be necessary to promote the welfare of children cared for or placed by such agencies, [and] institutions, *or group homes.*

(3) Each agency, [or] institution, *or group home* licensed under this section shall keep a record containing:

(a) The names, ages, present and former residences of all children received;

(b) The names, residence and occupation so far as is known, of the parents;

(c) The dates of the reception, placing out for adoption or foster care, together with the names, occupation and residence of the person with whom the child is placed;

(d) The date and cause of termination of its custody of each child; [and]

(e) A *continuous* [brief] history of each *child's adjustment and development from the time admitted to date of discharge* [child until he shall have reached the age of eighteen years or shall have been adopted or discharged] according to the law.

(f) Other pertinent information pertaining to the child as the commissioner may prescribe by regulation.

(4) All records regarding children or facts learned about children and their parents and relatives by any licensed agency, [or] institution *or group home* shall be deemed confidential in the same manner and subject to the same provisions as similar records of the department. The information thus obtained shall not be published or be open for public inspection except to authorized employes of the department or of such licensed agency, [or] institution *or group home* in the performance of their duties.

(5) If the department or authorized person is unable to make the necessary investigation or inspection for issuance of a [permanent] license to any such agency, [or] institution *or group home or if the applicant for license or renewal thereof fails to meet standards,* [prior to July 1, 1950,] a provisional license shall be issued. [subject to the completion of the necessary investigation or inspection.]

(6) If, *the department finds* [such inspection or investigation reveals] that the agency, [or] institution *or group home* does not meet the standards prescribed for licensing such agency, [or] institution *or group home,* the provisional license shall remain in effect for a period prescribed by the commissioner [but] not to exceed twelve months from the date the agency, [or] institution *or group home* was first notified of its failure to meet such standards. *A provisional license may be issued for a longer period when, in the judgment of the commissioner, meeting a specific requirement within the twelve month period would constitute an unusual hardship.*

(7) Applications for *renewal of* licenses shall be made *an-*

nually to the department. [and no agency or institution shall be refused a license nor have its license revoked by reason of failure to meet prescribed standards until after the expiration of a period not to exceed twelve months from the date of the first official notice that standards have not been met.]

Section 3. Section 199.670 of the Kentucky Revised Statutes is amended to read as follows:

(1) The department may revoke a license under KRS 199.640 for any condition which would have caused a denial of the license in the first instance. The department may refuse to issue a license in any case where the applicant is not found to possess the qualifications prescribed by the commissioner.

(2) In any case where the department proposes to revoke or to refuse to issue a license, written notice shall be given to the licensee or applicant, stating the proposed action and grounds therefor, and notifying the licensee or applicant that such license will be revoked or refused unless the applicant or licensee makes application for a hearing before the commissioner within thirty days of such notice. If application for such hearing is made, the commissioner shall set a time for the hearing, of which ten days' notice shall be given to the licensee or applicant, and at the hearing the licensee or applicant shall be entitled to be heard in person or by counsel, and to present witnesses. Following the hearing the commissioner shall render a decision in writing, setting forth his findings of fact and conclusions of law and affirming, modifying or setting aside the findings of the department, and shall send a copy thereof to the licensee or applicant by registered mail.

(3) The decision may be reviewed in the circuit court of the county in which the institution, [or] agency *or group home* is located, by action commenced within thirty days after receipt of the copy of the decision, and in such action the findings of fact made by the commissioner shall be conclusive if supported by any competent evidence.

Section 4. A new section of the Kentucky Revised Statutes is created to read as follows:

Notwithstanding the existence or pursuit of any other rem-

edy, the department may in the manner provided by law, maintain an action in the name of the State of Kentucky for injunction or other process against any person or agency to restrain or prevent the establishment, conduct, management or operation of a child-caring institution, child-placing institution or agency, or group home without a license under KRS 199.640 to 199.670. In any such court proceedings, the department may apply for and on due showing be entitled to have issued the court's subpoena requiring forthwith the appearance of any defendant and his employes, and the production of documents, books and records as may appear necessary for the hearing of such petition, to testify and give evidence concerning the acts or conduct or things complained of in such application for injunction. In such action the circuit court of the county in which the institution, agency or group home is located shall have jurisdiction over the subject matter and a judgment may be entered awarding injunctions as may be proper.

The Committee on Judiciary reported **SB 184, SB 280, SB 291, SB 94, SB 153, SB 100** with Committee Amendment attached thereto, and **SB 207** with Committee Amendment attached thereto, with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

SB 184, AN ACT relating to motor vehicle operator licenses.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Section 186.565 of the Kentucky Revised Statutes is amended to read as follows:

(1) Any person who operates a motor vehicle in this state is deemed to have given his consent to a chemical test of his blood, breath, urine or saliva for the purpose of determining the alcoholic content of his blood, if arrested for any offense arising out of acts alleged to have been committed while the person was driving or in actual physical control of a motor vehicle in this state while under the influence of intoxicating beverages. The test shall be administered at the direction of a law enforcement officer having reasonable grounds to believe the person to have been driving or in actual physical control of a motor vehicle in

this state while under the influence of intoxicating beverages. The law enforcement agency by which the officer is employed shall designate which of the aforseaid tests shall be administered, and provide necessary equipment.

(2) Any person who is dead, unconscious or who is otherwise in a condition rendering him incapable of refusal, is deemed not to have withdrawn the consent provided in subsection (1) of this section and the test may be given.

(3) If a person under arrest refuses upon the request of a law enforcement officer to submit to a chemical test designated by the law enforcement agency as provided in subsection (1) of this section, *the requesting officer shall advise the person of the effect of his refusal to submit; if the person again refuses,* none shall be given, *and* [but] the Department of Public Safety, upon the receipt of a sworn report of the law enforcement officer that he had reasonable grounds to believe the arrested person had been driving or was in actual physical control of a motor vehicle in this state while under the influence of intoxicating beverages and that the person refused to submit to the test upon the request of the law enforcement officer, shall revoke the license or permit of the person refusing to take the test for a period of not more than six months; or if the person arrested be a non-resident, his operating permit or privilege shall be revoked for not more than six months; or if the person is a resident without a license or permit to operate a motor vehicle in this state, the department shall deny to the person the issuance of a license or permit for a period of six months after the date of the alleged violation, subject to review as hereinafter provided.

(4) Upon revoking the license or permit to drive or non-resident operating privilege of any person, or upon determining that the issuance of a license or permit shall be denied to the person, the Commissioner of the Department of Public Safety shall immediately notify the person in writing by mailing the notice to the person by certified or registered mail to the last known residence address of the person, or, if the address is unknown, to the last known business address of the person. Within ten days after receiving the notice, the person may request a hearing before the commissioner. Request for a hearing does not suspend the order of revocation. The hearing shall be scheduled as

early as practical within not to exceed twenty days after receipt of such request at a time and place designated by the commissioner. The notice of hearing shall be served in the same manner as the notice of revocation or denial of a license. For the purpose of the hearing, the commissioner may appoint an examiner who shall have power to preside at the hearing. Upon the hearing the commissioner or his duly authorized agent may administer oaths and may issue subpoenas for the attendance of witnesses and the production of relevant books and papers and may require a reexamination of the licensee. The scope of the hearing shall cover the issues of whether a law enforcement officer had reasonable grounds to believe the person had been driving or was in actual physical control of a motor vehicle in this state while under the influence of intoxicating beverages, whether the person was placed under arrest, and whether he refused to submit to the test upon request of the officer. [Whether the person was informed that his privilege to drive would be revoked or denied if he refused to submit to the test shall not be an issue.] All testimony at the hearing shall be recorded. The commissioner's ruling shall include a statement of the findings of fact, rulings of law and other matters pertinent to the question at issue. The commissioner within 10 days after the completion of the hearing shall order that the revocation or determination that there should be a denial of issuance either be rescinded or sustained. The commissioner shall immediately notify the person of his ruling in writing by certified or registered mail.

(5) If the revocation or determination that there should be a denial of issuance is sustained after the hearing, the person whose license or permit to drive or nonresident operating privilege has been revoked, or to whom a license or permit is denied, under the provisions of this section, may file a petition in the circuit court of the county in which the person resides or in the circuit court of the county in which the alleged offense was committed or in Franklin Circuit Court to review the final order of revocation or denial by the commissioner within twenty days after the final order has been issued. The appeal does not suspend the order of revocation unless a stay thereof is allowed by the court pending a final determination of the review. If a stay is allowed, and the final judgment of the court finds against the

person appealing, the period of revocation is determined by taking into account the period of time during which the revocation was effective before the stay was granted. The Department of Public Safety shall file with its answer a copy of the commissioner's ruling and a transscript of evidence. The court's review is limited to whether the commissioner's ruling is supported by substantial evidence and whether his action is arbitrary or capricious. An appeal to the Court of Appeals does not suspend the order of revocation unless a stay thereof is allowed by the court pending a final determination of the review. If a stay is allowed, and the final judgment of the court finds against the person appealing, the period of revocation is determined by taking into account the period of time during which the revocation was effective before the stay was granted.

(6) When it has been finally determined that a nonresident's privilege to operate a motor vehicle in this state has been revoked, the department shall give information in writing of the action taken to the motor vehicle administrator of the state of the person's residence and of any state in which he has a license.

SB 280, AN ACT relating to facsimile signatures and manual signatures.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Section 271.147 of the Kentucky Revised Statutes is amended to read as follows:

On any bond, note, [or] debenture *or other debt security* issued by a corporation, charitable or religious institution, [which is countersigned or otherwise authenticated by] the signature of the officers of the corporation, or the trustee of a charitable or religious institution, acting in connection with the issuance, [the signature of the officers of the corporation and its seal, or the signature of the trustee of a charitable or religious institution may be facsimiles.] *and the seal of the corporation or institution, may be facsimiles if the instrument is authenticated or countersigned by a trustee or transfer agent, or registered by a registrar, other than the corporation or institution itself or an employee of the corporation or institution.* In case any officer or trustee who has signed or whose facsimile signature has been placed upon a bond,

note, [or] debenture *or other debt security* shall have ceased to be such officer or trustee before such bond, note, [or] debenture *or other debt security* is issued, it may be issued by the corporation and charitable or religious institution with the same effect as if he were such officer or trustee at the date of its issue.

SB 291, AN ACT relating to compensation of jury commissioners.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Section 29.065 of the Kentucky Revised Statutes is amended to read as follows:

Each jury commissioner shall receive for his services five dollars per day for the time actually engaged, the claim for which shall be certified by the judge appointing him and paid by the circuit court clerk from the jury funds advanced under KRS 28.180. The fiscal court of any county containing a city of the first *or second* class may supplement the compensation of the commissioners by allowing and paying to each commissioner such sum as it, acting upon the recommendation of the circuit judges, shall deem proper.

SB 94, AN ACT relating to credit card crimes.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. A new section of Chapter 434 of the Kentucky Revised Statutes is created to read as follows:

This Act may be cited as the Credit Card Crime Act.

Section 2. A new section of Chapter 434 of the Kentucky Revised Statutes is created to read as follows:

As used in this Act, unless the context otherwise requires:

(1) "Cardholder" means the person or organization named on the face of a credit card to whom or for whose benefit the credit card is issued by an issuer.

(2) "Credit card" means any instrument or device, whether known as a credit card, credit plate, credit number or by any

other name, issued by an issuer for the use of the cardholder in obtaining money, goods, services or anything else of value on credit.

(3) "Expired credit card" means a credit card which is no longer valid because the term shown on it has elapsed.

(4) "Issuer" means the business organization or financial institution which issues a credit card or its duly authorized agent.

(5) "Participating party" means a business organization or financial institution, or any duly authorized agent of such business organization or financial institution, which is obligated by contract to acquire from a person, business organization or financial institution providing money, goods, services or anything else of value, a sales slip, sales draft or other instrument evidencing a credit card transaction and from whom the issuer is obligated by contract to acquire or participate in such sales slip, sales draft or other instrument.

(6) "Receives" or "receiving" means acquiring possession or control of or the possession of a credit card.

(7) "Revoked credit card" means a credit card which is no longer valid because permission to use it has been suspended or terminated by the issuer.

Section 3. A new section of Chapter 434 of the Kentucky Revised Statutes is created to read as follows:

In addition and supplemental to the acts prescribed under KRS 434.090, a person who makes or causes to be made, either directly or indirectly, any false statement in writing, knowing it to be false and with intent that it be relied on, respecting his identity or that of any other person, firm or corporation, or as to a material fact about his financial condition or that of any other person, firm or corporation, for the purpose of procuring the issuance of a credit card, is guilty of a felony and shall be confined in the penitentiary for not less than one nor more than five years.

Section 4. A new section of Chapter 434 of the Kentucky Revised Statutes is created to read as follows:

(1) A person who takes a credit card from the person, pos-

session, custody or control of another without the consent of the cardholder or of the issuer or who, with knowledge that it has been so taken, receives the credit card with intent to use it or to sell it or to transfer it to a person other than the issuer or the cardholder is guilty of a misdemeanor and is subject to the penalties set forth in subsection (1) of section 18 of this Act. Taking a credit card without consent includes obtaining it by conduct defined or known as statutory larceny, common law larceny by trespassory taking, common law larceny by trick, embezzlement, or obtaining property by false pretenses, false promise or extortion.

(2) A person who has in his possession or under his control two or more credit cards which have been taken or obtained in violation of subsection (1) of this section 4 is presumed to know that the credit cards have been so taken or obtained.

Section 5. A new section of Chapter 434 of the Kentucky Revised Statutes is created to read as follows:

A person who receives a credit card that he knows to have been lost, mislaid, or delivered under a mistake as to the identity or address of the cardholder, and who retains possession with intent to use it or to sell it or to transfer it to a person other than the issuer or the cardholder is guilty of a misdemeanor and is subject to the penalties set forth in subsection (1) of section 18 of this Act.

Section 6. A new section of Chapter 434 of the Kentucky Revised Statutes is created to read as follows:

A person other than the issuer who sells a credit card or a person who buys a credit card from a person other than the issuer is guilty of a felony and is subject to the penalties set forth in subsection (2) of section 18 of this Act.

Section 7. A new section of Chapter 434 of the Kentucky Revised Statutes is created to read as follows:

A person who, with intent to defraud the issuer, a participating party, a person or organization providing money, goods, services or anything else of value, or any other person, obtains control over a credit card as security for debt is guilty of a mis-

demeanor and is subject to the penalties set forth in subsection (1) of section 18 of this Act.

Section 8. A new section of Chapter 434 of the Kentucky Revised Statutes is created to read as follows:

A person, other than the issuer, who receives a credit card which he knows was obtained, taken or retained under circumstances which constitute a violation of section 3, 4, 5, 6, or 7 of this Act is guilty of a felony and is subject to the penalties set forth in subsection (2) of section 18 of this Act.

Section 9. A new section of Chapter 434 of the Kentucky Revised Statutes is created to read as follows:

(1) A person who, with intent to defraud a purported issuer, a participating party, a person or organization providing money, goods, services or anything else of value, or any other person, falsely makes or falsely embosses a purported credit card, or utters such a credit card or possesses such a credit card with knowledge that such credit card has been falsely made or falsely embossed is guilty of a felony and is subject to the penalties set forth in subsection (2) of section 18 of this Act.

(2) A person other than the purported issuer who possesses two or more credit cards which are falsely made or falsely embossed is presumed to possess the same with knowledge that they have been falsely embossed or falsely made and with the intent to defraud.

(3) A person "falsely makes" a credit card when he makes or draws, in whole or in part, a device or instrument which purports to be the credit card of a named issuer but which is not such a credit card because the issuer did not authorize the making or drawing, or alters a credit card which was validly issued. A person "falsely embosses" a credit card when, without the authorization of the named issuer, he completes a credit card by adding any of the matter, other than the signature of the cardholder, which an issuer requires to appear on the credit card before it can be used by a cardholder.

Section 10. A new section of Chapter 434 of the Kentucky Revised Statutes is created to read as follows:

A person other than the cardholder or a person authorized by

him who, with intent to defraud the issuer, or a participating party, or a person or organization providing money, goods, services or anything else of value, or any other person, signs a credit card is guilty of a misdemeanor and is subject to the penalties set forth in subsection (1) of section 18 of this Act.

Section 11. A new section of Chapter 434 of the Kentucky Revised Statutes is created to read as follows:

(1) A person who, with intent to defraud the issuer, a participating party, a person or organization providing money, goods, services or anything else of value, or any other person, (a) uses for the purpose of obtaining money, goods, services or anything else of value a credit card obtained or retained in violation of sections 3 through 10 of this Act, or any of such sections, or a credit card which he knows is forged, expired or revoked, or (b) obtains money, goods, services or anything else of value by representing without consent of the cardholder that he is the holder of a specified card or by representing that he is the holder of a card and such card has not in fact been issued, or (c) uses a credit card obtained or retained in violation of sections 3 through 10 of this Act, or any of such sections, or a credit card which he knows is forged, expired or revoked, as authority or identification to cash or attempts to cash or otherwise negotiate or transfer a check or other order for payment of money, whether or not negotiable, if said negotiation or transfer or attempt to negotiate or transfer would constitute a crime under KRS 434.070 or KRS 434.130, is guilty of a misdemeanor and is subject to the penalties set forth in subsection (1) of section 18 of this Act, if the value of all money, goods, services or other things of value obtained in violation of this Section does not exceed $100.00 in any six-month period; and is guilty of a felony and is subject to the penalties set forth in subsection (2) of section 18 of this Act, if such value exceeds $100.00 in any six-month period.

(2) Knowledge of revocation shall be presumed to have been received by a cardholder four days after it has been mailed to him at the address set forth on the credit card or at his last known address by registered or certified mail, return receipt requested, and, if, the address is more than five hundred miles from the place of mailing, by air mail. If the address is located outside the United States, Puerto Rico, the Virgin Islands, the Canal

Zone and Canada, notice shall be presumed to have been received ten days after mailing by registered or certified mail.

Section 12. A new section of Chapter 434 of the Kentucky Revised Statutes is created to read as follows:

A person, business organization or financial institution who is authorized by an issuer to furnish money, goods, services or anything else of value upon presentation of a credit card by a cardholder, or any agent or employe of such person, business organization or financial institution, who, with intent to defraud the issuer, a participating party, the cardholder, or any other person, furnishes money, goods or services or anything else of value upon presentation of a credit card obtained or retained in violation of sections 3 through 10 of this Act, or any of such sections, or a credit card which he knows is forged, expired or revoked is guilty of a misdemeanor and is subject to the penalties set forth in subsection (1) of section 18 of this Act, if the value of all money, goods, services or other things of value furnished in violation of this section does not exceed $100.00 in any six-month period; and is guilty of a felony and is subject to the penalties set forth in subsection (2) of section 18 of this Act, if such value exceeds $100.00 in any six-month period.

Section 13. A new section of Chapter 434 of the Kentucky Revised Statutes is created to read as follows:

A person, business organization or financial institution who is authorized by an issuer to furnish money, goods, services or anything else of value upon presentation of a credit card by a cardholder, or any agent or employe of such person, business organization or financial institution, who, with intent to defraud the issuer, a participating party, the cardholder or any other person, fails to furnish money, goods, services or anything else of value which he represents in writing to the issuer that he has furnished is guilty of a misdemeanor and is subject to the penalties set forth in subsection (1) of section 18 of this Act, if the difference between the value of all money, goods, services or anything else of value actually furnished and the value represented to the issuer to have been furnished does not exceed $100.00 in any six-month period; and is guilty of a felony and is subject to the penalties set forth in subsection (2) of section 18

of this Act, if such difference exceeds $100.00 in any six-month period.

Section 14. A new section of Chapter 434 of the Kentucky Revised Statutes is created to read as follows:

(1) A person other than the cardholder possessing an incomplete credit card, or possessing a purported distinctive element of a credit card, with intent to complete such incomplete credit card or to ultilize such purported distinctive element in the production or reproduction of any credit card without the consent of the issuer, or a person possessing, with knowledge of its character, a distinctive element of any credit card or any machinery, plates or any contrivance designed to produce or reproduce instruments purporting to be the credit cards, or a distinctive element of the credit cards, of an issuer or of any issuer in a group of issuers utilizing a common distinctive element or elements in credit cards issued by all members of such group, who has not consented to the production or reproduction of such card, is guilty of a felony and is subject to the penalties set forth in subsection (2) of section 18 of this Act. A credit card is "incomplete" if part of the matter other than the signature of the cardholder, which an issuer or any issuer in a group of issuers utilizing a common distinctive element or elements in credit cards issued by all members of such group, requires to appear on the credit card before it can be used by the cardholder has not yet been stamped, embossed, imprinted or written on it. A "distinctive element" of a credit card is any material or component used in the fabrication of credit cards which, by virtue of such element's chemical or physical composition, color or design, is unique to the credit cards issued by a particular issuer or group of issuers utilizing a common distinctive element or elements in credit cards issued by all members of such group.

(2) A person other than the cardholder or issuer who possesses two or more incomplete credit cards is presumed to possess the same without the consent of the issuer and with the intent to complete them.

Section 15. A new section of Chapter 434 of the Kentucky Revised Statutes is created to read as follows:

(1) A person who receives money, goods, services or any-

thing else of value obtained in violation of section 11 of this Act, knowing or believing that it was so obtained is guilty of a misdemeanor and is subject to the penalties set forth in subsection (1) of section 18 of this Act, if the value of all money, goods, services and other things of value received in violation of this section does not exceed $100.00 in any six-month period; and is guilty of a felony and is subject to the penalties set forth in subsection (2) of section 18 of this Act if such value exceeds $100.00 in any six-month period.

(2) A person who possesses three or more tickets for airline, railroad, steamship or other transportation service, which tickets were obtained by the use of a stolen or forged credit card is presumed to know that such tickets were so obtained.

Section 16. A new section of Chapter 434 of the Kentucky Revised Statutes is created to read as follows:

In any prosecution for violation of this Act, the Commonwealth is not required to establish and it is no defense that (1) a person other than the defendant who violated this Act has not been convicted, apprehended or identified; or (2) some of the acts constituting the crime did not occur in Kentucky or were not a crime or elements of a crime where they did occur.

Section 17. A new section of Chapter 434 of the Kentucky Revised Statutes is created to read as follows:

When this Act establishes a presumption with respect to any fact which is an element of a crime, it has the following consequences:

(1) When there is sufficient evidence of the facts which give rise to the presumption to go to the jury, the issue of the existence of the presumed facts must be submitted to the jury, unless the court is satisfied that the evidence as a whole clearly negatives the presumed facts; and

(2) When the issue of the existence of the presumed fact is submitted to the jury, the court shall charge that while the presumed fact, must, on all the evidence, be proven beyond a reasonable doubt, the law declares that the jury may regard the facts giving rise to the presumption as sufficient evidence of the presumed fact.

Section 18. A new section of Chapter 434 of the Kentucky Revised Statutes is created to read as follows:

(1) A person who is subject to the penalties of this subsection shall be fined not more than $1,000.00 or imprisoned not more than one year, or both.

(2) A person who is subject to the penalties of this subsection shall be fined not more than $3,000.00 or confined in the penitentiary for not more than five years, or both.

Section 19. A new section of Chapter 434 of the Kentucky Revised Statutes is created to read as follows:

This Act shall not be construed to preclude the applicability of any other provision of the criminal law of this Commonwealth which presently applies or may in the future apply to any transaction which violates this Act, unless such provision is inconsistent with the terms of this Act.

Section 20. If any provision of this Act or its application to any person or circumstances is held invalid, the invalidity shall not affect other provisions or applications of the Act which can be given effect without the invalid provision or application, and to this end the provisions of this Act are declared to be severable.

Section 21. Section 434.510 of the Kentucky Revised Statutes is amended to read as follows:

[(1) It shall be unlawful for any person knowingly to obtain or attempt to obtain credit, or to purchase or attempt to purchase any goods, property or service, by the use of any false, fictitious, counterfeit or expired credit card, telephone number, credit number or other credit device, or by the use of any credit card, telephone number, credit number or other credit device of another without the authority of the person to whom such card, number or device was issued, or by the use of any credit card, telephone number, credit number or other credit device in any case where such card, number or device has been revoked and notice of revocation has been given to the person to whom issued.]

(1) [(2)] It shall be unlawful for any person to avoid or attempt to avoid, or to cause another to avoid, the lawful charges,

in whole or in part, for any telephone or telegraph service or for the transmission of a message, signal or other communication by telephone or telegraph, or over telephone or telegraph facilities, by the use of any fraudulent scheme, device, means or method.

[(3) The word "notice" as used in subsection (1) shall be construed to include either notice given in person or notice given in writing to the person to whom the number, card or device was issued. The sending of a notice in writing by registered or certified mail in the United States mail, duly stamped and addressed to such person at his last address known to the issuer, shall be prima facie evidence that such notice was duly received.]

(2) [(4)] Any person who violates any provision of subsection (1) [or (2)] is guilty of a misdemeanor and upon conviction shall be punished by a fine of not less than fifty dollars nor more than five hundred dollars or imprisonment for not more than one year, or by both such fine and imprisonment.

SB 153, AN ACT to revise and correct the Kentucky Revised Statutes.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Section 6.050 of the Kentucky Revised Statutes is amended to read as follows:

(1) A member of the General Assembly, while going to, attending or returning from any session of the house to which he belongs shall not be arrested, menaced or disturbed at any place in the Commonwealth of Kentucky except on legal process for treason, felony, or breach or surety of the peace.

(2) It is declared to be the legislative intent of the General Assembly to prohibit the arrest of any member of the General Assembly at any place within the Commonwealth while going to, attending or returning from any session of the house to which he belongs, except for treason, felony or breach or surety of the peace. [Breach or surety of the peace is declared to mean the offense of breach of the peace as set out in KRS 437.010.]

(3) A member of the General Assembly shall not be re-

quired to stand trial in any civil action except between terms of the legislature, and then only in the county of his residence; but either party to such an action may obtain a change of venue as in other cases.

(4) A member of either house, by a vote of two-thirds of the members present, may be censured, fined or expelled for breach of privilege.

Section 2. Section 6.370 of the Kentucky Revised Statutes is amended to read as follows:

(1) The committee shall study and examine expenditures of state agencies. The committee may organize and adopt rules for the conduct of its business and do whatever else it considers necessary or advisable to carry out the purposes of KRS 6.360 to 6.415.

(2) The committee may engage such accounting and consulting firms, specialists, technicians or other persons as are deemed necessary for the performance of its duties.

(3) The committee may adopt rules and prescribe procedures for the conduct of its affairs.

(4) The committee may administer oaths, issue subpoenas, compel the attendance of witnesses and the production of papers, books, accounts, documents, and testimony, and [to] have the deposition of witnesses taken in the manner prescribed by law for taking depositions in civil actions. If a person disobeys or refuses to comply with a subpoena, or if a witness refuses to testify to a matter regarding which he may be lawfully interrogated, the Court of Appeals may on application of the committee compel obedience by proceedings for contempt in the same manner as in the case of disobedience of the requirements of a subpoena issued from the court or a refusal to testify in the court. Each witness who appears before the committee by its order, other than an officer or employe of the state, is entitled to the fees and mileage provided for witnesses in civil cases in courts of record, which shall be audited and paid upon the presentation of proper vouchers sworn to by such witnesses and approved by the chairman of the committee.

Section 3. Section 12.020 of the Kentucky Revised Statutes is amended to read as follows:

Departments and the respective administrative bodies that they include are enumerated in this section. It is not intended that this enumeration of administrative bodies be all-inclusive.

I. Departments headed by elected officers:

1. The Governor.
2. Lieutenant Governor.
3. Department of State.
   (a) Board of Elections.
4. Department of Law.
5. Department of the Treasury.
6. Department of Agriculture.
   (a) State Board of Agriculture.
   (b) Milk Marketing and Antimonopoly Commission.
   (c) Egg Marketing Advisory Board.
   (d) Johnson Grass Control Advisory Board.
   (e) State Dog Law Committee.
   (f) Termite and Pest Control Examining Board.
7. Department of Education.
   (a) State Board of Education.
   (b) School for the Deaf Advisory Board.
   (c) Council on Public Higher Education.
   (d) State Textbook Commission.
   (e) Kentucky Public School Authority.
   (f) Governor's Conference on Education.
   (g) School for the Blind Advisory Committee.
8. Auditor of Public Accounts.
9. Railroad Commission.

II. Departments headed by appointed officers:

1. Department of Corrections.
   (a) Parole Board.

2. Department of Commerce.
   (a) Economic Development Commission.
   (b) Resources, Research and Development Advisory Committee.
3. Department of Highways.
4. Department of Labor.
   (a) Workmen's Compensation Board.
   (b) Board of Claims.
   (c) Prevailing Wage Board.
   (d) Kentucky Industrial Safety Board.
   (e) Kentucky Apprenticeship Council.
5. Department of Libraries.
   (a) State Board for the Certification of Librarians.
6. Department of Public Safety.
   (a) Public Safety Advisory Committee.
   (b) State Police Personnel Board.
7. Department of Alcoholic Beverage Control.
   (a) Alcoholic Beverage Control Board.
8. Department of Banking and Securities.
   (a) Securities Advisory Committee.
9. Department of Insurance.
   (a) Custodian of Insurance Securities.
10. Department of Motor Transportation.
    (a) General Advisory Committee for Motor Vehicle Dealers.
11. Public Service Commission.
12. Department of Finance.
    (a) State Property and Buildings Commission.
    (b) County Debt Commission.
    (c) State Archives and Records Commission.
    (d) Capitol Planning and Zoning Commission.
    (e) Board of Zoning Adjustment and Appeals.

13. Department of Personnel.
    (a) Personnel Board.
14. Department of Public Information.
15. Department of Revenue.
16. Department of Child Welfare.
    (a) Kentucky Children's Advisory Council.
17. Department of Economic Security.
    (a) Public Assistance Appeals Board.
    (b) Advisory Council for Medical Assistance.
    (c) Unemployment Insurance Commission.
    (d) State Employment Security Advisory Council.
    (e) Commission for Employment of the Physically Handicapped.
    [(f) Employes Retirement System Board of Trustees.]
18. Commission for Handicapped Children.
19. Department of Health.
    (a) State Board of Health.
    (b) Water Pollution Control Commission.
    [(c) Kentucky Commission on Alcoholism.]
20. Department of Mental Health.
    (a) Advisory Council on Mental Health.
    (b) Advisory Council on Mental Retardation.
    (c) Kentucky Commission on Alcohol Problems.
21. Tuberculosis Hospital Commission.
22. Department of Parks.
    (a) Parks Board.
    (b) Breaks Interstate Park Commission.
23. Department of Natural Resources.
    (a) Flood Control and Water Resources Development Board.
    (b) Soil and Water Conservation Commission.
    (c) Strip Mining and Reclamation Commission.

(d) Advisory Committee on Strip Mining and Reclamation.
(e) Ohio River Valley Water Sanitation Commission.
(f) Interstate Water Sanitation Board.

24. Department of Mines and Minerals.
(a) Mines and Minerals Board of Examiners.

25. Department of Aeronautics.

26. Department of Military Affairs.
(a) Kentucky Disabled Ex-Servicemen's Board.

27. *Department of Fish and Wildlife Resources.*
(a) Fish and Wildlife Resources Commission.

Section 4. Section 17.147 of the Kentucky Revised Statutes is amended to read as follows:

The bureau chief shall:

(1) Collect data necessary for the operation of the bureau from all persons and agencies mentioned in KRS *17.150* [17.153].

(2) Prepare and distribute to all such persons and agencies, forms to be used in reporting data to the bureau. The forms shall provide for items of information needed by federal bureaus or departments engaged in the development of national criminal statistics.

(3) Prescribe the forms and content of records to be kept by such persons and agencies to insure reporting of data to the bureau.

(4) Instruct such persons and agencies in the installation, maintenance and use of such records and in the manner of reporting to the bureau.

(5) Tabulate, analyze and interpret the data collected.

(6) Supply data, at their request, to federal bureaus or departments engaged in collecting national crime statistics.

(7) Annually present to the Governor, on or before July 1, concerning the criminal statistics of the preceding calendar year, and present at such other times as the director may deem wise, or the Governor may request, reports on special aspects of crim-

inal statistics. A sufficient number of copies of all reports shall be printed for general distribution in the interest of public enlightenment.

Section 5. Section 28.165 of the Kentucky Revised Statutes is amended to read as follows:

(1) The clerk of the state fiscal court, to-wit; The clerk of the Franklin Circuit Court, is authorized to make requisition upon the Division of Purchases of the Commonwealth of Kentucky for the necessary office equipment, files and supplies for the accommodation and preservation of suits and records in fiscal cases filed in the Franklin Circuit Court by and against the Commonwealth of Kentucky and the departments thereof.

(2) It shall be the duty of the Director of the Division of Purchases to procure said supplies and equipment ordered and forward them to the clerk of the Franklin Circuit Court when such order and requisition has been authorized and approved by the judge of the Franklin Circuit Court.

(3) The Director of the Division of Purchases shall certify the costs of said supplies and equipment to the *Department* [Division] of Finance of the Commonwealth of Kentucky for payment, and it shall be the duty of the *Department* [Division] of Finance to pay for said equipment and supplies not to exceed $300 per annum out of the general fund revenue not appropriated for other purposes.

Section 6. Section 36.020 of the Kentucky Revised Statutes is amended to read as follows:

The Governor, immediately on his induction into office, shall appoint the Adjutant General, who shall be not less than thirty years of age and who shall have served honorably, or be serving, as a commissioned officer of the armed forces of the United States. The Governor shall issue a commission to the Adjutant General in the grade of Major General. The commission shall automatically be vacated when the Adjutant General is relieved from duty or at the expiration of the term of the Governor appointing him. The Adjutant General shall execute bond in the sum of ten thousand dollars. The Adjutant General shall be compensated at the base rate of pay, not including

subsistence and quarters allowances, as provided in KRS 38.205 [38.200], or prescribed in KRS 64.640.

Section 7. Section 36.025 of the Kentucky Revised Statutes is amended to read as follows:

(1) The Governor, with the recommendation of the Adjutant General, may appoint a Deputy Adjutant General, who at the time of appointment shall be at least thirty years of age and shall be serving as a commissioned officer in the Kentucky National Guard. The Governor shall issue a commission to the Deputy Adjutant General in the grade of Brigadier General, provided such individual is qualified for Federal recognition in that grade. The position of Deputy Adjutant General shall require fulltime employment in the Department of Military Affairs. Such appointment shall be for tenure of office of the appointing authority. The Deputy Adjutant General shall be compensated at the base rate of pay, not including subsistence and quarters allowances as provided in KRS 38.205 [38.200], or as prescribed in KRS 64.640.

(2) The Governor, with the recommendation of the Adjutant General, may appoint an Assistant Adjutant General for the Army National Guard and an Assistant Adjutant General for the Air National Guard, who at the time of appointment shall be at least thirty years of age and shall be serving as a commissioned officer in the Kentucky National Guard. The Governor shall issue a commission to each such Assistant Adjutant General in the grade of Brigadier General, provided such individual is qualified for Federal recognition in that grade. Such appointment shall be for the tenure of office of the appointing authority. The Assistant Adjutants General may be compensated, for all state service performed by them, as provided in KRS 38.205 [38.200].

Section 8. Section 36.040 of the Kentucky Revised Statutes is amended to read as follows:

The Adjutant General shall:

(1) Represent the Governor in all military matters pertaining to the Commonwealth of Kentucky;

(2) Be the executive head of the Department of Military Affairs and exercise all functions vested by law in the department;

(3) Be responsible to the Governor for the proper carrying into effect of all laws, rules and regulations of the United States and of this state affecting the militia and other military organizations established by law;

(4) Perform the duties prescribed for him by laws of the United States and regulations issued thereunder;

(5) Direct and supervise the chiefs of staff departments and supervise all troops and all departments, arms and branches of the Kentucky Army and Air National Guard;

(6) Supervise the preparation of all returns and reports of the Department of Military Affairs;

(7) Keep a register of all the officers of the Kentucky National Guard, and make a written report to the Governor for the annual period ending on June 30 of each year of the operations and conditions of the Department of Military Affairs;

[(8) Establish and supervise the operations of the Division of Civil Defense;]

(8) [(9)] Cause to be prepared and issued all necessary blank books, forms and notices required to carry into full effect the provisions of KRS Chapters 36, 37 and 38;

(9) [(10)] Direct and supervise the safekeeping and repairing of the ordnance, arms, accouterments, equipment and all other military property belonging to the state or issued to it by the United States;

(10) [(11)] Notify the Department of Finance of all military property of the state which after inspection is found unsuitable for use of the department;

(11) [(12)] Keep an account of:

(a) All expenses, including pay of officers and enlisted men, allowance to officers and organizations;

(b) Any other moneys required to be disbursed by him and through his office, including subsistance and transportation of the National Guard;

(c) All military property of the United States.

(12) [(13)] Issue and make requisitions for military property under the direction of the Governor, but no military property

shall be issued to persons or organizations other than those belonging to the National Guard, except to such portion of the Kentucky Active Militia as is called out by the Governor;

(13) [(14)] Maintain as a part of his office a bureau of war records in which all records pertaining to wars and relics shall be kept, and be custodian of all such records, colors, standards and battle flags now the property of the state, or in its possession, or which the state may hereafter acquire;

(14) [(15)] Organize units of the National Guard at places designated by the Governor and have the members thereof mustered into service under regulations prescribed by the Governor;

(15) [(16)] Issue all regulations, orders and directives for the proper functioning and utilization of the Kentucky National Guard.

Section 9. Section 37.230 of the Kentucky Revised Statutes is amended to read as follows:

Commanding and staff officers of organizations and units are hereby authorized to make such visits of instruction and inspection, when authorized by the Adjutant General to do so, as in his discretion may be necessary. When making said visits they may be compensated as provided in KRS 36.140 and *38.205* [38.200].

Section 10. Section 37.270 of the Kentucky Revised Statutes is amended to read as follows:

Officers and enlisted men, when employed in active state service as defined in subsection (4) of KRS 38.010, beginning with the day they assemble at their armories or other designated place until the day they return thereto and have been properly relieved, inclusive, fractional parts of a day counting as a full day, shall receive pay at the rates provided for in KRS *38.205* [38.200] and in addition thereto actual and necessary cost of transportation, when transportation is not furnished in kind.

Section 11. Section 37.280 of the Kentucky Revised Statutes is amended to read as follows:

If any member of the Active Militia shall be incapacitated

from pursuing his usual business or occupation by reason of any injury received when on duty or assembled therefor under competent authority or lawful order, which said injury shall directly result from such service, he shall be entitled to receive pay as set forth in KRS 38.205 [38.200] and actual necessary expenses for care, hospitalization and medical attendance during the period of such incapacity from the date of receiving such injury. Where a claim is made under this section, the Adjutant General shall cause examinations of the claimant to be made from time to time by a medical officer or officers designated by him, and he may direct the removal of the claimant to and his treatment in a hospital designated by the Adjutant General, and if the claimant refuse to permit such examination or if he refuse to go to such hospital or to follow the advice given or treatment prescribed for him therein, he shall forfeit and be barred from all right to any claim, pay or allowance under this section.

Section 12. Section 38.210 of the Kentucky Revised Statutes is amended to read as follows:

For duty at all encampments or other exercises ordered by the Governor, except when authorized and paid by the Federal Government, each commissioned officer and enlisted man may receive the pay and allowances provided in KRS 38.205 [38.200], including transportation and subsistence.

Section 13. Section 38.235 of the Kentucky Revised Statutes is amended to read as follows:

(1) The Department of Military Affairs shall accept the provisions of KRS Chapter 342 for the benefit of members of the Kentucky National Guard while such members are on active state service. Notwithstanding KRS Chapter 342, the Department of Military Affairs may purchase additional and extended workmen's compensation insurance as provided in this section [and KRS 38.240]. Notwithstanding KRS 342.070, in the case of death, compensation shall continue without a maximum limitation on the total amount paid, during the period of dependency as defined in KRS 342.075 to 342.085. Notwithstanding KRS 342.095, in the case of permanent and total disability, compensation shall continue without maximum limitation on the total amount paid, during the period of permanent and total disability.

(2) The department may, in lieu of procuring additional extended insurance coverage, elect to avail itself of the provisions of KRS 342.340 relating to the direct payment of benefits, for the purpose of paying the additional extended benefits provided under subsection (1) of this section.

Section 14. Section 43.050 of the Kentucky Revised Statutes is amended to read as follows:

(1) The Auditor constitutes an agency independent of the administrative departments enumerated in KRS 12.020, it being the policy of the General Assembly to provide for the independent auditing of the accounts and financial transactions of all spending agencies of the state through a disinterested auditor, who is entirely independent of the state administration whose affairs he is called upon to audit.

(2) The Auditor shall:

(a) Audit annually, and at such other times as may be deemed expedient, the accounts of all state agencies, all private and semiprivate agencies receiving state aid or having responsibility for the handling of any state funds, the accounts, records and transactions of the budget units, and the general accounts of the state.

(b) Make a complete audit and verification of all moneys handled for the account of the state government by local officials charged with the collection of fees or other money for or on behalf of the state, when such an audit is demanded in writing by the Legislative *Research Commission* [Council], the Commissioner of Finance or the Governor, and may make such an audit when it is not so demanded.

(c) Examine annually the management, conduct and condition of all asylums, prisons, feeble-minded and ellemosynary institutions and public works owned, operated or partly owned by the state, or in the conduct or management of which the state has any financial interest or legal power, giving special attention to the faithful and economical application of any money appropriated by the state to the institution or public works examined, or of any money in which the state has an interest.

(d) Examine annually the management and condition of the offices of the Department of Finance, the State Treasurer

and the Superintendent of Public Instruction, to determine whether the laws regulating their duties are being fully complied with, and all money received by them for the state fully accounted for.

(e) Audit periodically all state revenue collections, and, if he finds that collections are not being satisfactorily made, report that fact to the authority whose duty it is to make such collections.

(f) Make special audits and investigations when required by the Governor.

(g) Investigate the means of accounting for, controlling and insuring the safe custody of all property of the state, and verify the existence and condition of such property charged to, or held in the custody of any state agency.

(h) Audit the statements of financial condition and operations of the state government, examine the estimates of resources available for appropriation and the estimates of receipts prepared for inclusion in each biennial budget report, and certify in writing the results of such audit and examination with such comments as he deems necessary for the information of the General Assembly, his certificate and comments to be included with the statements and estimates as presented in the budget reports.

(i) Report immediately in writing to the Governor, each member of the Legislative *Research Commission* [Council], and the Commissioner of Finance, any unauthorized, illegal, irregular or unsafe handling or expenditure of state funds, or other improper practice of financial administration, or evidence that any such handling, expenditure or practice is contemplated, and any obstruction of the Auditor or his agents during the conduct of any audit or investigation of a state agency.

(j) Assist the Legislative *Research Commission* [Council] at hearings and investigations conducted by it and cooperate with the Legislative *Research Commission* [Council] in the preparation of its reports to the General Assembly.

(k) Keep accounts showing the costs of his own operations and of each separate audit and investigation made by him, and such accounts as he deems necessary to provide a record of warrants of the state outstanding as of the end of each calendar month.

(3) The Auditor may investigate and examine into the conduct of all state and county officers who are authorized to receive, collect or disburse any money for the state, or who manage or control any property belonging to the state or in which the state is interested, or who make estimates or records that are used as a basis by any state agency in the disbursement of public funds.

(4) The Auditor shall not be responsible for the keeping of any accounts of the state, except accounts relating to his own operations, and records of outstanding warrants. He shall not be responsible for the collection of any money due the state, or for the handling or custody of any state funds or property except in the process of counting and verifying the amounts of such funds or property in the course of the audits provided for in this section.

Section 15. Section 45.236 of the Kentucky Revised Statutes is amended to read as follows:

Notwithstanding the provisions of KRS 45.230 and notwithstanding any other provision of the Kentucky Revised Statutes, any unexpended or unencumbered balance of any Social Security appropriation, made available for expenditure by the Department of *Child Welfare* [Economic Security] in the administration of its child welfare functions for the first fiscal year of each biennium, remaining at the end of such fiscal year, shall be carried forward and be available for expenditure at any time during the ensuing fiscal year within the biennium and no portion shall lapse to the General Expenditure Fund.

Section 16. Section 56.120 of the Kentucky Revised Statutes is amended to read as follows:

When the amount of damage has been determined, the State Treasurer shall debit the account of the State Fire and Tornado Insurance Fund by that amount and credit with an equal amount the account of the agency that has control or custody of the property damaged, and upon warrant from the Department of Finance the Treasurer shall pay to the agency the amount so credited to it, for the purpose of repairing the damage or reconstructing or replacing the damaged or destroyed property. If he deems it impracticable or undesirable to use the money for repair, reconstruction or replacement of the property damaged or de-

stroyed, it may, with the approval of the Department of Finance, and subject to the provisions of KRS *56.491* [56.490], expend said funds for the acquisition, repair, construction or reconstruction of property similar to the property damaged or destroyed. No debit, credit, or payment made on account of the damage to any one subject of risk, by any one loss, shall be in excess of three hundred thousand dollars, unless the Department of Insurance has effected reinsurance upon the subject of risk such as to limit the liability of the State Fire and Tornado Insurance Fund to three hundred thousand dollars, and unless the excess over this amount has actually been paid into the fund by the reinsuring company or companies.

Section 17. Section 70.170 of the Kentucky Revised Statutes is amended to read as follows:

(1) Each sheriff performing the duties required under the provisions of KRS 70.150 and 70.160 shall be allowed the amount of $2100 annually payable out of the State Treasury at the rate of $175 per month for such services. The first such monthly payment shall be for the month of July, 1966, and the check therefor shall be forwarded to the sheriff concerned on or about the last working day of that month and each month thereafter.

(2) [Notwithstanding the provisions of KRS 64.560,] The allowance authorized in subsection (1) of this section shall be considered as operating expenses of the sheriff's office and shall not be considered as part of his compensation.

Section 18. Section 76.254 of the Kentucky Revised Statutes is amended to read as follows:

(1) The district is authorized and empowered to issue negotiable, interest bearing, construction subdistrict bonds which shall not be an obligation of the district; construction subdistrict revenue bonds shall be secured solely by the revenue pledged by KRS *76.262* [76.272] and by monies, [;] if any, in the construction subdistrict reserve fund authorized by KRS *76.262* [76.272]. Construction subdistrict bonds can be issued to obtain funds for the building, installation or acquisition of construction subdistrict facilities or for refunding construction subdistrict bonds of the same construction subdistrict. Notwithstanding the foregoing two sentences construction subdistrict bonds can be served by assessments.

(2) Construction subdistrict bonds shall be authorized by resolution of the board, shall bear such date or dates, shall mature at such time or times, not exceeding forty years from their respective dates, bear interest at such rate or rates, not exceeding six percentum per annum, payable annually or oftener, be in such form, wholly registered, registered as to principal with bearer coupon, or bearer with coupon, carry such registration privileges, be executed in such manner, be payable in such manner, be payable in such medium of payment at such place or places, and be subject to such terms of redemption, with or without premium, as such resolution or resolutions may require. Construction subdistrict bonds shall be sold at public sale for such price or prices as the board determines, provided however, that the interest cost of the money received from any issue of construction subdistrict bonds shall not exceed six percentum per annum when computed to the maturity of the bonds according to standard tables of bond values.

(3) Any resolution or resolutions authorizing any bonds pursuant to this section may contain provisions, which shall be a part of the contract with the holders of the bonds, concerning (a) a pledge of or a security interest in the revenue derived from the construction subdistrict; (b) the amounts to be raised in each year by rates, rentals, and charges, and the use and disposition thereof; (c) the setting aside of reserves or sinking funds and the regulation and disposition thereof; (d) limitations on the right of the district to restrict and regulate the use of the subdistrict facilities; (e) limitations on the purposes to which the proceeds of sale of any issue of bonds then or thereafter to be issued with respect to the same construction subdistrict may be applied; (f) limitations on the issuance of additional bonds for the same construction subdistrict; and (g) the procedure, if any, by which the term of any contract with bondholders may be amended or be abrogated, the amount of the bonds the holders of which must give consent thereto, and the manner in which such consent may be given.

(4) Construction subdistrict bonds shall not constitute an obligation or indebtedness of the district or of any city or county, and it shall be stated plainly on the face of each construction subdistrict bond that it has been issued under the provisions of KRS 76.005 to 76.281 and that it does not constitute an obliga-

tion or indebtedness of the district or any city or county. All construction subdistrict bonds issued hereunder may be issued without vote of the voters and without any other proceedings or happenings of any other condition or things than those proceedings, conditions, and things which are specified and required by KRS 76.005 to 76.281. Construction subdistrict bonds shall be signed in the name of the district by the chairman or vice-chairman of the board, attested by the signature of the secretary-treasurer, with corporate seal of the district attached. The bonds may also be executed pursuant to KRS 61.390.

Section 19. Section 92.520 of the Kentucky Revised Statutes is amended to read as follows:

(1) The assessor of each city of the fifth class shall, between January 1 and March 1 of each year, make out a true list of all taxable property in the city. Except as provided in subsection (4) of this section, the assessor of each city of the sixth class shall make out a similar list between July 1 and November 1 of each year. The mode of making out the list and the proceedings relating thereto, in cities of the fifth and sixth classes, shall be in conformity with the laws regulating the duties of the *property valuation administrator* [county tax commissioner], except as otherwise provided by statute or by ordinance. The assessor in each city of the fifth class shall verify the list by his oath, and shall deposit it with the city clerk on or before the first Monday in March. The assessor in each city of the sixth class shall verify the list by his oath, and shall deposit it with the city clerk on or before the first Monday in December.

(2) The assessor of each city of the fifth class shall also, during the time allowed for making out the assessment list, make a *list* [copy] of all persons residing within the city and verify it by oath, and shall deposit it with the city clerk on or before the first Monday in March. The assessor of each city of the sixth class shall make out a similar list and verify it by oath, and shall deposit it with the city clerk on or before the first Monday in December.

(3) The assessor and his deputy in each city of the fifth or sixth class may administer all oaths necessary in the performance of their duties.

(4) The city legislative body of any city of the sixth class may, by ordinance or resolution, provide that the assessment made by the *property valuation administrator* [county tax commissioner] for state and county purposes shall be adopted as the assessment for city purposes, in lieu of the assessment provided for in subsection (1) of this section, and that the city tax bills shall be made from the county lists and *property valuation administrator's* [tax commissioner's] books after they have been supervised and corrected by the county board of equalization. In such cases the city clerk shall take the lists of all persons subject to city taxation who are not shown on the *property valuation administrator's* [county tax commissioner's] books, and shall list all property a portion of which is in the city where the value of the portion in the city is not shown on the *property valuation administrator's* [county tax commissioner's] books.

Section 20. Section 96.600 of the Kentucky Revised Statutes is amended to read as follows:

(1) When the board of any municipality authorized to acquire, construct, own or operate an electric plant under the provisions of KRS 96.550 to 96.900 shall be unable to contract with the owner of any land, easement, right of way, electric plant, or any facilities or property needed by such board for its use for the purposes thereof and desires to exercise the right of eminent domain, the board shall file in the office of the clerk of the county court a particular description of the property sought to be condemned, and may apply to the county court to appoint commissioners to assess the damages the owner or owners thereof may be entitled to receive, and thereupon said court shall appoint three impartial housekeepers of the county who are land owners, and who shall be sworn to faithfully and impartially discharge their duties under this law.

(2) It shall be the duty of said commissioners to ascertain and determine the value of the property taken; the value of real estate, tangible personal property, intangible property and franchises, if any such value is found to exist, shall be determined and stated separately in their report; and they shall also award damages, if any, resulting to the remainder of the electric plant or system of the owner, considering the purposes for which the property is taken, and the amount of said damages, if any, shall

be stated separately in their report. They shall return a report, in writing, to the office of the clerk of said court, stating their award, and shall describe in their report the property condemned, giving the name or names of the owners, and whether nonresidents of the state, infants, of unsound mind, or married women.

(3) Upon the application of said board, and upon filing such affidavits as may be necessary, the clerk of said court shall issue process against the owner or owners to show cause why the said report should not be confirmed, and shall make such orders as to nonresidents and persons under disability as are required by the *Rules of Civil Procedure* [Civil Code of Practice] in actions against them in the circuit court.

(4) At the first regular term of the county court, after the owners have been summoned ten days, if the summons be served in the county, or if served outside the county twenty days, or if the service is constructive thirty days, it shall be the duty of the court to examine said report, and if it shall appear to be in conformity to this law, and to the extent that no exceptions have been filed thereto by either party, it shall confirm said report as against the owners not excepting.

Section 21. Section 107.030 of the Kentucky Revised Statutes is amended to read as follows:

If a municipality desires to authorize, construct, and finance an improvement pursuant to this chapter, its governing body shall initiate the proceedings by adopting an ordinance, herein called the "First Ordinance," in which announcement shall be made: [(1)] of the public way or ways (which need not be contiguous) proposed to be improved and the geographical limits of the proposed improvement in such manner as to identify the benefited properties; [,] or [(2)] the identity of the property or properties to be benefited by the fire hydrant in cities of the third through sixth classes or by the sewer installations (which may include a sewage treatment plant) which properties may be identified by naming the public way or ways upon which they abut, if any, or by geographical location, or both. In either case the ordinance shall recite the nature and scope of the improvement, a preliminary estimate of the costs thereof, as submitted in writing by an engineer, or firm of engineers, holding

a license from the Commonwealth of Kentucky, and the amount, if any, which the city proposes to appropriate from available city funds toward the estimated cost. In all succeeding proceedings, the city shall be bound and limited by the preliminary report of the engineer, or engineers, with regard to the nature, scope, and extent of the proposed improvement project (unless the First Ordinance be amended, as hereinafter provided); but shall not be bound by, or limited to, the preliminary estimate of costs. The costs shall be determined upon the basis of construction bids publicly solicited as hereinafter provided, and shall be binding upon the city, and upon the owners of property to be benefited by the proposed improvement project, whether the same turn out be equal to, below, or above such preliminary estimate. Architects, engineers, and fiscal agents may be employed without advertising or competition. The First Ordinance shall provide for a public hearing at a time and place specified therein (not less than one week after publication) and shall give notice that at the hearing any owner of property to be benefited may appear and be heard as to (1) whether the proposed project should be undertaken or abandoned, (2) whether the nature and scope of the project shall be altered, (3) whether the project shall be financed through the issuance of bonds according to the "assessed value basis," authorized by this chapter, or (4) whether the project be financed through assessments made and apportioned on a front-foot basis, as may otherwise be authorized by law. The First Ordinance shall be published pursuant to KRS Ch. 424. The First Ordinance may designate a person, who may be the mayor, (or the chairman of the board of trustees) a member of the governing body, or any city official, to preside at and conduct such public hearing. In the absence of a designation in the ordinance, the mayor, chairman of the board of trustees, or a person designated by the mayor or chairman shall preside. Notwithstanding the foregoing, the public hearing shall not be deemed irregular or improper if it is in fact presided over and conducted at the designated time and place by any elected city officer or member of the governing body.

Section 22. Section 107.040 of the Kentucky Revised Statutes is amended to read as follows:

A public hearing shall be held at the time and place designated in the First Ordinance. Any person qualifying under the

provisions of KRS 107.030 may preside and conduct such hearing. Such presiding person, or any person whom he or she may designate, shall make reasonable notes or minutes of the proceedings, and the same shall be submitted in writing to a subsequent regularly scheduled meeting of the governing body. Any owner of property intended to be benefited by the proposed improvement project may be heard at such public hearing, in person or by a representative. Any such owner may submit to the person presiding, or to the designated clerk, if one be designated, a written instrument in which such owner is identified by name, address, and designation of the property owned, and containing a statement of any reason for advocating, or objecting to, any of the aspects of the proposed improvement project as set forth in *(1), (2), (3), or (4)* [(a), (b), (c), or (d)] of KRS 107.030, and such written instruments shall be attached to, or included in, the written report of the hearing. Whether or not any such written instruments are submitted, the person presiding at such hearing may require those in attendance to identify themselves as owners of property to be benefited, or otherwise, and may call for a vote of such identified owners, by secret ballot or show-of-hands, on any pertinent controversial matter, and the results thereof shall be included in the subsequent written report to the governing body. The hearing may be adjourned to convene again, and from time to time, either at a time and place announced at the hearing, or any adjourned session, or upon public notice of such time and place, to be given in such manner as the person presiding may announce prior to the adjournment. If no owners of property to be benefited by the proposed project appear at such hearing, or if no substantial controversy develops at such hearing, regarding any of the matters enumerated in *(1), (2), (3), or (4)* [(a), (b), (c), and (d)] of KRS 107.030, the hearing may be adjourned sine die by the person presiding, and such facts shall be set forth in the written report to the governing body.

Section 23. Section 107.090 of the Kentucky Revised Statutes is amended to read as follows:

Upon compliance with KRS 107.080 [Thereupon] the governing body may adopt an ordinance, hereinafter referred to as the "Third Ordinance":

(a) Finally authorizing the issuance of bonds of the city which shall be designated "Improvement Assessment Bonds" and shall, in addition, identify the project by name of streets, number, or otherwise;

(b) Determining the principal amount thereof;

(c) Establishing the denominations and maturity dates thereof, which may be term or serial maturities, not to exceed twenty years from date of issue;

(d) Levying an annual assessment effective only upon the benefited properties, according to their respective assessed values as determined for the purposes of general city taxation, but without regard to any constitutional or other limits otherwise applicable to taxation for general city purposes, the annual rate of such improvement assessment to be fixed when city taxes are levied, and to be sufficient in each year to provide for the payment of such bonds and interest coupons as they mature; and, in the case of the first such levy, sufficient to provide, in addition, a sum equal to twenty percent of average annual principal and interest requirements, the same to constitute a "debt service reserve" as a precaution against possible default by reason of failures in the collection of the annual levies, as hereinafter provided;

(e) Covenanting with the holders of said bonds and coupons, that until the payment in full thereof the city will levy annually an improvement assessment upon the benefited properties only, as provided in the foregoing subsection (d) hereof;

(f) Covenanting with the holders of said bonds and coupons, that until payment in full thereof, the city will pursue and exhaust, at the city's expense, all remedies available to the city and for the benefit and protection of the bondholders, including enforcement to judgment and decretal sale of the liens upon benefited properties, as provided in this chapter;

(g) Designating one or more places of payment of principal and interest, within or without the Commonwealth;

(h) Specifying, or omitting, provisions for redemption and payment prior to stated maturities, and the terms thereof;

(i) Providing for the payment by the city of any and all reasonable and customary charges for the services of paying

agents, to the end that the holders of the bonds and coupons will receive the sums therein stipulated, without deductions for such charges; and

(j) Any other provisions not contrary to law.

Section 24. Section 118.173 of the Kentucky Revised Statutes is amended to read as follows:

(1) The names of the candidates for the offices of judge of the Court of Appeals and circuit judge shall be placed on the voting machine at the regular election in a column or line headed or preceded by the words "Judicial Ballot," in such a manner that the casting of a vote for all of the candidates of one party as contemplated by KRS *125.040(3)* [125.050(3)] will not operate to cast a vote for such judicial candidates. When voting machines are not used, the names of such judicial candidates shall be placed upon a separate ballot styled "Judicial Ballot." Each candidate shall be designated by the name of the political party by which he was nominated, or if an independent, by the designation specified in his nominating petition.

(2) The names of the candidates shall be arranged in such order as may be determined by lot in the same manner as provided in subsections (2) and (3) of KRS 119.140.

Section 25. Section 123.091 of the Kentucky Revised Statutes is amended to read as follows:

Within fifteen days after the election, each campaign depository of a candidate or registered committee, shall file with the registry, originals or true copies of all statements filed by the treasurers [regulations adopted by the registry] upon which funds were withdrawn from the accounts designated as campaign accounts.

Section 26. Section 149.080 of the Kentucky Revised Statutes is amended to read as follows:

Forest wardens employed by the Department of *Natural Resources* [Conservation], shall assist in preventing, controlling and extinguishing forest fires, under directions of the Division of Forestry.

Section 27. Section 150.170 of the Kentucky Revised Statutes is amended to read as follows:

(1) Except as provided in subsections (2), (3), (4), (5), and (6) of this section, and subject to regulations adopted under this chapter, no person, resident or nonresident, shall do any act authorized by any kind of license or permit, or assist in any way any person in doing any act provided for in this chapter with respect to game and fish unless he holds the kind of license or permit, resident or nonresident, that authorizes such act. It is the specific purpose of this chapter to prohibit the taking or pursuing of any wildlife, protected or unprotected, or the fishing in any stream or body of water whether public or private, without first procuring the license provided for herein, except to such extent as may be otherwise provided in this section.

(2) A person under sixteen years of age may, without a sport fishing license, take fish by angling, or take minnows by the use of a minnow seine, minnow trap or dip net.

(3) The resident owner of farmlands, his wife, or dependent children, or tenants and their dependent children, residing upon said farmland shall, without procuring license, have the right to take fish or hunt during the open season (except trapping) on said farmlands of which they are bona fide owners, or wife or dependent children of such owners, or tenants or dependent children of such tenants.

(4) Residents or nonresidents attending and participating in any field trial as authorized by the department may so attend and participate without obtaining a hunting license so long as game is not taken.

(5) Any resident who is sixty-five years of age or older may, without a hunting or a sport fishing license, do any act authorized by such a license, and may take or pursue deer without a big game permit or other permit required by law or regulation, but while so doing he must carry upon his person an affidavit stating the year of his birth and place of residence.

(6) Any resident serviceman on furlough of more than three days may, in the county of his legal residence at the time of his entrance into the service, without a hunting or fishing license, do any act authorized by such a license, but while so doing

he must carry on his person proper identification and papers showing his furlough status.

(7) The provisions of this chapter for the protection of wild animals shall not apply to resident landowners of this state who kill on their land any wild animal causing damage to such land or any personal property situated thereon. Upon destruction of any animal or bird by a landowner such act must be reported to the department or the resident conservation officer for the proper disposition of the carcass.

(8) In the event a reciprocal agreement is entered into between the commissioner, with the approval of the commission, and the similar authority of Missouri, Tennessee, Virginia and West Virginia, [pursuant to which] persons holding a resident or nonresident fishing or a resident or nonresident statewide hunting license issued in *these states* [this state] are permitted to perform the acts authorized by such license upon certain contiguous waters and land areas adjacent to the common boundaries of the above mentioned states and the State of Kentucky. A resident of the State of Kentucky must purchase a proper Kentucky license to conform with the reciprocal agreement.

Section 28. Section 150.990 of the Kentucky Revised Statutes is amended to read as follows:

(1) Each bird, fish or animal taken, possessed, bought, sold or transported and each device used or possessed contrary to the provisions of this chapter or any regulation adopted by the commission thereunder shall constitute a separate offense. The penalties prescribed in this section shall be for each offense.

(2) Any person who violates any of the provisions of this chapter or any regulations adopted by the commission hereunder, for which no definite fine or imprisonment is fixed [by this section], shall be fined not less than fifteen dollars nor more than one hundred dollars.

(3) Any person who violates any of the provisions of subsection (3) of KRS 150.090, subsections (1) and (2) of KRS 150.180, KRS 150.300, KRS 150.330, subsection (2) of KRS 150.360, KRS 150.485 or KRS 150.600 shall be fined not less than twenty-five nor more than two hundred dollars or imprisoned for not more than six months, or both.

(4) Any person who violates any of the provisions of KRS 150.460 shall be fined not less than one hundred dollars nor more than five hundred dollars, or imprisoned for not more than six months, or both, and in addition to such penalties shall be liable to the department in an amount reasonably necessary to restock such fish or replenish such other wildlife which has been killed or destroyed.

(5) Any licensee who violates any provisions of this chapter or any regulations adopted by the commissioner thereunder shall, in addition to the penalties provided in subsections (2), (3) and (4) of this section, forfeit his license and shall not be permitted to purchase another license for the same calendar year.

(6) Any county court clerk or deputy who knowingly makes a false entry upon a license record or report, in violation of subsection (2) of KRS 150.190 shall be fined not less than one hundred dollars nor more than five hundred dollars.

(7) Any person who violates any provisions of KRS 150.390 shall be fined not less than one hundred dollars, nor more than five hundred dollars.

(8) Any person who violates KRS 150.525 shall be fined not less than twenty-five dollars, nor more than two hundred dollars or imprisoned for not more than six months, or both.

(9) Any person who violates any regulation which has been or may be hereafter adopted by the commission under any provisions of this chapter or which is adopted to supplement, explain, carry out or limit any provision of this chapter, shall be subject to the same penalty as is provided for the violation of any provisions of this chapter under which the regulation is adopted or which the regulation supplements, explains, carries out or limits.

(10) Any person violating the provisions of subsection (1) of KRS 150.670, shall be fined not less than fifteen dollars nor more than one hundred dollars.

(11) Any nonresident who violates KRS 150.235, subsection (3), shall be fined not less than fifty dollars nor more than two hundred dollars.

(12) No fines, penalty, or judgment assessed or rendered

under this chapter shall be suspended, reduced or remitted otherwise than expressly provided by law.

Section 29. Section 157.295 of the Kentucky Revised Statutes is amended to read as follows:

[(1)] The Superintendent of Public Instruction shall employ two additional supervisors for the purpose of testing and classifying the mentally retarded, and two additional supervisors to supervise programs for all other exceptional children. [The Superintendent of Public Instruction shall allot fifty-three units in the fiscal year 1962-63, and one hundred and eight units in the fiscal year 1963-64 for such purpose, in addition to the number of units allotted and limited by House Bill 40, Section C, page 11, line 19, to exceptional children.]

Section 30. Section 164.293 of the Kentucky Revised Statutes is amended to read as follows:

(1) There is hereby recognized as established and maintained a state college in this Commonwealth to be designated and known as Northern Kentucky State College, the location of which shall be determined by the Council on Public Higher Education on the advice of a group of twelve persons from the northern section of the state, to be appointed by the Governor, not more than six of whom shall belong to the same political party.

(2) All the provisions of KRS Chapter 164, with the exception of KRS 164.295(2) [and KRS 164.320(1), (2) and (3),] applying to the state universities and Kentucky State College, shall apply to Northern Kentucky State College.

Section 31. Section 171.090 of the Kentucky Revised Statutes is amended to read as follows:

The Law Librarian may, when authorized by the trustees of the State Law Library, furnish without charge to the library of the University of Kentucky and to the libraries of the state *universities and* colleges the public documents, books and manuscripts in the State Law Library which are not essential to the performance of the duties of that library.

Section 32. Section 171.410 of the Kentucky Revised Statutes is amended to read as follows:

As used in KRS 171.410 to 171.740:

(1) "Records" means all books, papers, maps, photographs, and other documentary materials, regardless of physical form or characteristics, made or received by any agency of the state government in pursuance of the state law or in connection with the transaction of public business and preserved or appropriate for preservation by that agency or its legitimate successor as evidence of the organization, functions, policies, decisions, procedures, operations, or other activities of the government or because of the informational value of data contained therein.

(2) "Department" means the Department of Finance.

(3) "Commission" means the State Archives and Records Commission.

Section 33. Section 171.420 of the Kentucky Revised Statutes is amended to read as follows:

The State Archives and Records Commission, is hereby created and shall be a nine member body constituted as follows: The Commissioner of Finance, who shall be the chairman of the commission, the Auditor of Public Accounts, the Chief Justice of the Court of Appeals, the Chairman of the Legislative Research Commission, the Attorney General, one member appointed by the Governor from a list of three persons submitted by the President of the University of Kentucky, one member appointed by the Governor from a list of three persons submitted by the President of the Kentucky Historical Society, one member appointed by the Governor from a list of three persons submitted by the President of the Kentucky Librarians Association, and one member appointed by the Governor from a list of five persons with one name submitted by each of the presidents of the state *universities and* colleges. Vacancies shall be filled by the Governor in the same manner as initial appointments are made. All members shall serve for a term of four years, provided that one of the initial appointments shall be for a term of four years, one for three years, one for two years and one for one year. The commission shall advise the Department of Finance on matters relating to archives and records, and [shall determine] questions on destruction of records as set out in KRS 171.670.

Section 34. Section 171.450 of the Kentucky Revised Statutes is amended to read as follows:

(1) The *department* [commission] shall establish:

(a) Procedures for the compilation and submission to the *department* [Archives and Records Service] of lists and schedules of public records proposed for disposal;

(b) Procedures for the disposal or destruction of public records authorized for disposal or destruction;

(c) Standards for the reproduction of public records by photographic or microphotographic process;

(d) Procedures for collection and distribution by the central depository of all reports and publications, except the Kentucky Revised Statutes editions, issued by any department, board, commission, officer or other agency of the Commonwealth for general public distribution after July 1, 1958.

(2) The *department* [director] shall enforce the provisions of KRS 171.410 to 171.740 by appropriate rules and regulations.

(3) The *department* [commission] shall [publish the rules and regulations adopted under authority of KRS 171.410 to 171.740 at least once in each biennium in the official journal, and] make copies of such rules and regulations available to all officials affected by KRS 171.410 to 171.740 subject to the provisions of KRS Chapter 13.

(4) It is intended that such rules and regulations be drawn in cooperation with the various state agencies and subdivisions. Such rules and regulations when approved by the *department* [commission] shall be binding on all state and local agencies, *subject to the provisions of KRS Chapter 13.* The *department* [commission] shall perform any acts deemed necessary, legal and proper to carry out the duties and responsibilities imposed upon it pursuant to the authority granted herein.

Section 35. Section 171.460 of the Kentucky Revised Statutes is amended to read as follows:

In order for proper planning to be accomplished, the *department* [commission] shall cause a records management survey to be conducted in accordance with the regulations issued by the *department* [commission].

Section 36. Section 171.470 of the Kentucky Revised Statutes is amended to read as follows:

The *department* [commission] is authorized to make continuing surveys of government records and records management and disposal practices and to obtain reports thereon from state and local agencies; to promote, in cooperation with the various state and local agencies, improved records management practices and controls in such agencies, including the central storage or disposition of records not needed by such agencies for their current use; and to report to the Governor semi-annually. The *department* [commission] shall submit a biennial report to the General Assembly.

Section 37. Section 171.480 of the Kentucky Revised Statutes is amended to read as follows:

The Commissioner of Finance, at the request of the commission, shall have authority to design, build, purchase, lease, maintain, operate, protect, and improve buildings or facilities, including a State Archives and Records Center Building, used for the storage of non-current records of state and local agencies. The *department* [commission] shall have custody and control of all such buildings and facilities and their contents.

Section 38. Section 171.500 of the Kentucky Revised Statutes is amended to read as follows:

The *department* [Archives and Records Service] is hereby constituted the central depository for public records. It shall be the duty of all departments, boards, commissions, officers or other agencies of the Commonwealth to supply to the central depository copies of each of their reports and publications issued for general public distribution after July 1, 1958, in the number and in the manner prescribed by rule or regulation promulgated by the *department* [commission] pursuant to KRS 171.450. College, university, and public libraries may be constituted depository libraries by written order of the *department* [commission]. The central depository shall supply copies to such depository libraries in the number and in the manner prescribed by rule or regulation promulgated by the *department* [commission] pursuant to KRS 171.450.

Section 39. Section 171.520 of the Kentucky Revised Statutes is amended to read as follows:

The *department* [commission] shall, with due regard to the program activities of the state and local agencies concerned, prescribe the policies and principles to be followed by state and local agencies in the conduct of their records management programs, and make provisions for the economical and efficient management of records by state and local agencies by analyzing, developing, promoting, and coordinating standards, procedures, and techniques designed to improve the management of records, to insure the maintenance and security of records deemed appropriate for preservation, and to facilitate the segregation and disposal of records of temporary value and by promoting the efficient and economical utilization of space, equipment, and supplies needed for the purpose of creating, maintaining, storing, and servicing records.

Section 40. Section 171.530 of the Kentucky Revised Statutes is amended to read as follows:

The *department* [commission] shall establish standards for the selective retention of records of continuing value, and assist state and local agencies in applying such standards to records in their custody. The *department* [director] shall notify the head of any such agency of any actual, impending, or threatening unlawful removal, defacing, alteration, or destruction of records in the custody of such agency that has come to *its* [his] attention, and assist the head of such agency in initiating action through the Attorney General for the recovery of such records as shall have been unlawfully removed and for such other redress as may be provided by law.

Section 41. Section 171.540 of the Kentucky Revised Statutes is amended to read as follows:

The *department* [commission] is authorized to inspect or survey the records of any state or local agency, as well as to make surveys of records management and records disposal practices in such agencies, and shall be given full cooperation of officials and employes of agencies in such inspection and surveys; provided, that records, the use of which is restricted by or pursuant to law or for reasons of security or the public interest, shall be inspected or surveyed only in accordance with law, and the rules and regulations of the *department* [commission].

Section 42. Section 171.550 of the Kentucky Revised Statutes is amended to read as follows:

The *department* [commission] is authorized to establish an interim records center or centers for the storage, processing, and servicing of records of state and local agencies pending their deposit in the State Archives and Records Center or their disposition in any other manner authorized by law, and to establish, maintain and operate centralized microfilming, photostating, indexing, de-contamination and lamination and any other records repair and rehabilitation services for state and local agencies.

Section 43. Section 171.560 of the Kentucky Revised Statutes is amended to read as follows:

Subject to applicable provisions of law, the *department* [director] shall [recommend, and the commission] promulgate[,] rules and regulations governing the transfer of records from the custody of one state or local agency to that of another.

Section 44. Section 171.570 of the Kentucky Revised Statutes is amended to read as follows:

The *department* [commission] may empower any state or local agency, upon the submission of evidence of the need therefor, to retain records for a longer period than that specified in any approved disposal schedule, or by law but the agency shall report all such actions to the commission at its next meeting for approval or disapproval.

Section 45. Section 171.580 of the Kentucky Revised Statutes is amended to read as follows:

The *department* [commission], whenever it appears to be in the public interest, is authorized:

(1) To accept for deposit in the State Archives and Records Center the records of any state or local agency or of the General Assembly that are determined by the *department* [director] to have sufficient historical or other value to warrant their continued preservation;

(2) To direct and effect the transfer to the *department* [Archives and Records Service] of any records that have been in existence for more than fifty years and that are determined by the *department* [director] to have sufficient historical or other

value to warrant their continued preservation, unless the head of the state or local agency which has custody of them certifies in writing to the *department* [director] that they must be retained in his custody for use in the conduct of the regular current business of the said agency;

(3) To direct and effect, with the approval of the head of the originating agency, or its successor, if any, the transfer of records deposited, or approved for deposit, in the State Archives and Records Center to public or educational institutions for special research or exhibit purposes; provided that title to such records shall remain vested in the Commonwealth of Kentucky unless otherwise authorized by law, and provided further such records may be recalled after reasonable notice in writing;

(4) To direct and effect the transfer of materials from private sources authorized to be received by the State Archives and Records Center by the provisions of KRS 171.620.

Section 46. Section 171.590 of the Kentucky Revised Statutes is amended to read as follows:

The *department* [commission] shall be responsible for the custody, use, and withdrawal of records transferred to it. All papers, books, and other records of any matters so transferred are public records and shall be open to inspection by any interested person subject to reasonable rules as to time and place of inspection established by the *department* [commission]; provided that whenever any records, the use of which is subject to statutory limitations and restrictions, are so transferred, the *department* [commission] shall enforce such limitations. Restrictions shall not remain in effect after the records have been in existence for fifty years.

Section 47. Section 171.600 of the Kentucky Revised Statutes is amended to read as follows:

The *department* [commission] shall make provisions for the preservation, management, repair and rehabilitation, duplication and reproduction, description, and exhibition of records or related documentary material transferred to it as may be needful or appropriate, including the preparation and duplication of inventories, indexes, catalogs, and other finding aids or guides facilitating their use.

Section 48. Section 171.610 of the Kentucky Revised Statutes is amended to read as follows:

The *department* [director] shall make such provision and maintain such facilities as *it* [he] deems necessary or desirable for servicing records in *its* [his] custody that are not exempt from examination by statutory provisions or other restrictions.

Section 49. Section 171.620 of the Kentucky Revised Statutes is amended to read as follows:

The *department* [commission] is authorized, whenever it is deemed to be in the public interest, to accept for deposit:

(1) The papers and other historical materials of any Governor of the Commonwealth of Kentucky, or of any other official or former official of the state or its subdivisions, and other papers relating to and contemporary with any Governor or former Governor of Kentucky, subject to restrictions agreeable to the *department* [commission] and the donor;

(2) Documents, including motion picture films, still pictures, sound recordings, maps, and papers, from private sources that are appropriate for preservation by the state government as evidence of its organization, functions, policies, and transactions or those of its subdivisions.

Section 50. Section 171.630 of the Kentucky Revised Statutes is amended to read as follows:

The *department* [commission] may charge a fee not in excess of 10 percent above the costs or expenses for making or authenticating copies or reproductions of materials transferred to its custody. All such fees shall be paid into a revolving fund for the continuation of such services on as self-sustaining a basis as possible. There shall be no charge for making or authenticating copies or reproductions of such materials for official use by the government of the Commonwealth of Kentucky; provided, that reimbursement may be accepted to cover the cost of furnishing such copies or reproductions that could not otherwise be furnished.

Section 51. Section 171.660 of the Kentucky Revised Statutes is amended to read as follows:

(1) Whenever the Governor, Lieutenant Governor or any state agency or subdivision or the principal officer thereof, shall have, either in whole or in part, any records or papers photographed, photostated, microphotographed, microfilmed or filmed and preserved for record in accordance with rules and regulations promulgated by the *department* [commission] the original thereof may be disposed of or destroyed.

(2) Any such reproductions shall be deemed the originals of the records or papers for all purposes, and any facsimiles, certified copies or reproductions thereof, or any prints or enlargements of the reproductions shall be admissible as evidence in any court or proceeding of this Commonwealth, and shall be prima facie evidence of the facts set forth in and the contents of the original records or papers.

Section 52. Section 171.670 of the Kentucky Revised Statutes is amended to read as follows:

When there is a question whether a particular record or group of records should be destroyed, the *department* [commission] shall decide whether or not the record or group of records are to be destroyed.

Section 53. Section 171.680 of the Kentucky Revised Statutes is amended to read as follows:

(1) The head of each state and local agency shall establish and maintain an active, continuing program for the economical and efficient management of the records of the agency.

(2) Such program shall provide for:

(a) Effective controls over the creation, maintenance, and use of records in the conduct of current business;

(b) Cooperation with the *department* [Archives and Records Service] in applying standards, procedures, and techniques designed to improve the management of records;

(c) Promotion of the maintenance and security of records deemed appropriate for preservation, and facilitation of the segregation and disposal of records of temporary value;

(d) Compliance with the provisions of KRS 171.410 to 171.740 and the rules and regulations of the *department* [Archives and Records Commission].

Section 54. Section 171.690 of the Kentucky Revised Statutes is amended to read as follows:

Whenever the head of a state or local agency determines that substantial economies or increased operating efficiency can be effected thereby, he shall provide for the storage, processing and servicing of records that are appropriate therefor in the records center maintained and operated by the *department* [Archives and Records Service] or, when approved by the *department* [director] in such location maintained and operated by the head of such agency.

Section 55. Section 171.700 of the Kentucky Revised Statutes is amended to read as follows:

Any official who is authorized to certify to facts on the basis of records in his custody is authorized to certify to facts on the basis of records that have been transferred by him or his predecessors to the *department* [Archives and Records Service], further provided, that any fee due any official of the state or its subdivisions shall not be eliminated by KRS 171.410 to 171.740.

Section 56. Section 171.720 of the Kentucky Revised Statutes is amended to read as follows:

The head of each state and local agency shall notify the *department* [director of the Archives and Records Service] of any actual, impending or threatened unlawful removal, defacing, alteration or destruction of records in the custody of the agency that shall come to his attention, and with the assistance of the *department* [director of the Archives and Records Service] shall initiate action through the Attorney General for recovery of such records as shall have been unlawfully removed and for such other redress as may be provided by law.

Section 57. Section 179.230 of the Kentucky Revised Statutes is amended to read as follows:

(1) The brush, bushes, weeds, overhanging limbs of trees and all other obstructions along the roads shall be removed between July 1 and August 20 of each year, and the county engineer shall publish in some county paper for at least two consecutive weeks before July 1 of every year, *in the manner provided in KRS Chapter 424* [and give notice by handbills posted in at

least ten conspicious places in each voting precinct of their counties outside of the incorporated towns], the requirements of KRS 179.220 and of this section and the order of the fiscal court.

(2) The cost of the publication required by subsection (1) of this section shall be paid by the fiscal court of the county in which the notices were published and posted.

Section 58. Section 186.990 of the Kentucky Revised Statutes is amended to read as follows:

(1) Any person who violates any of the provisions of KRS 186.020, 186.030, 186.040, 186.045(5), 186.050, 186.056, 186.060, 186.070, 186.110, 186.130, 186.140, 186.150, 186.160, 186.170, 186.180, 186.210, 186.230, or 186.655 to 186.680 shall be fined not less than ten nor more than one hundred dollars for each offense.

(2) Any person who violates any of the provisions of KRS *138.465*, 186.190, or 186.200 shall be fined not less than ten dollars nor more than two thousand dollars or imprisoned for not more than one year, or both.

(3) Unless another penalty is provided by law, any person who violates any of the provisions of KRS 186.400 to 186.640 shall be fined not less than two dollars nor more than five hundred dollars or imprisoned for not more than six months, or both.

(4) Any clerk or judge failing to comply with subsection (1) of KRS 186.550 shall be subject to a penalty of one hundred dollars which shall accrue to the state and may be recovered with costs of the suit in a civil action brought by the department.

(5) If it appears to the satisfaction of the trial court that any offender under KRS 186.400 to 186.640 has a driver's license but in good faith failed to have same on his or her person or misplaced or lost same, the court may, in its discretion, dismiss the charges against the defendant without fine, imprisonment or cost.

(6) Any person who steals a motor vehicle registration plate shall be guilty of a felony and shall be confined in the penitentiary for not less than one nor more than five years. Displaying a cancelled registration plate on a motor vehicle shall be prima facie evidence of guilt under this section.

Section 59. Section 189.455 of the Kentucky Revised Statutes is amended to read as follows:

(1) On the application of any person who has lost the use of a leg or both legs, or an arm or both arms, or any combination thereof, or any person who is blind, the Department of Revenue shall issue the handicapped person a decal designating the vehicle licensed as belonging to a handicapped person. The decal issued shall bear a handicapped insignia approved by the department. The department shall not issue *a* decal so designated to any person other than a handicapped person. The department shall not charge any fee, other than the regular fee for annual registration, for the issuance of the decal.

(2) When a motor vehicle bearing a decal issued to a handicapped person as prescribed in this section is being operated by or for the benefit of the handicapped person, the motor vehicle may be parked for a period of two hours in excess of the legal parking period permitted by local authorities except where local ordinances or police regulations prohibit parking on a highway for the purpose of creating a fire lane or where the ordinances or police regulations provide for the accommodation of heavy traffic during morning, afternoon or evening hours or where the motor vehicle is parked in such a manner as to clearly be a traffic hazard.

(3) Any person who is not a handicapped person as prescribed in this section and who wilfully and falsely represents himself as having the qualifications to obtain the decal in an attempt to procure the *decal authorized* [special plates prescribed] by this section shall be fined fifty dollars, and in default of payment, shall be imprisoned for not more than ten days.

(4) Any person owning a vehicle bearing a decal, and not entitled to do so under the provisions of this section, shall be fined fifty dollars, and in default of payment, shall be imprisoned for not more than ten days.

Section 60. Section 189.990 of the Kentucky Revised Statutes is amended to read as follows:

(1) Any person who violates any of the provisions of KRS 189.020 to 189.040, subsections (1), (2) and (5) of KRS 189.050, KRS 189.060 to 189.080, subsections (1) to (3) of KRS 189.090,

KRS 189.100, 189.110, 189.130 to 189.160, subsections (2) to (4) of KRS 189.190, KRS 189.200, 189.290, 189.300 to 189.360, KRS 189.380, KRS 189.390, except subsection (4)(c), KRS 189.400 to 189.430, 189.450 to 189.480, subsection (1) of KRS 189.520, KRS 189.540, subsection (1) of KRS 189.560, or KRS 189.570 to 189.630, except subsection (1) of KRS 189.580, shall be fined not less than ten dollars nor more than one hundred dollars for each offense. Any person who violates subsection (1) of KRS 189.580 shall be fined not less than ten dollars nor more than two thousand dollars, or imprisoned in the county jail for not more than one year, or both. Any person who violates KRS 189.390(4)(c) shall be fined not less than one dollar nor more than twenty dollars. Neither court costs nor fees shall be taxed against any person convicted of violating KRS 189.390(4)(c).

(2) (a) Any person who violates the weight provisions of KRS 189.221 or subsection (1) of 189.222 shall be guilty of a misdemeanor, and upon conviction thereof shall be fined in an amount equal to two cents per pound for each pound of excess load when the excess is 2,000 pounds or less, three cents per pound when the excess exceeds 2,000 pounds and is 3,000 pounds or less, five cents per pound when the excess exceeds 3,000 pounds and is 4,000 pounds or less, seven cents per pound when the excess exceeds 4,000 pounds and is 5,000 pounds or less, and nine cents per pound when the excess exceeds 5,000 pounds but in no case to exceed $500.

(b) Any person who violates any provision of subsection (3) and (4) of KRS 189.050, subsection (4) of KRS 189.090, KRS 189.221 to 189.230, 189.270, 189.280, or 189.490, for which another penalty is not specifically provided, shall be guilty of a misdemeanor and upon conviction thereof, shall be fined in any sum not exceeding $500.

(c) Nothing in this subsection or in KRS 189.221 to 189.228 shall be deemed to prejudice or affect the authority of the *Department* [Division] of Motor Transportation to suspend or revoke certificates of common carriers, permits of contract carriers, or drivers' or chauffeurs' licenses, for any violation of KRS 189.221 to 189.228 or any other Act applicable to motor vehicles, as provided by law.

(3) Any person who violates KRS 189.170 shall be fined

not less than five nor more than fifty dollars for each day he operates a truck in violation of KRS 189.170.

(4) (a) Any person who violates subsection (1) of KRS 189.190 shall be fined not more than five dollars.

(b) Any person who violates subsection (5) of KRS 189.190 shall be fined not less than twenty-five nor more than two hundred dollars.

(5) (a) Any person who violates subsection (1) of KRS 189.210 shall be fined not less than fifteen nor more than one hundred dollars.

(b) Any peace officer who fails, when properly informed, to enforce KRS 189.210 shall be fined not less than fifteen nor more than one hundred dollars.

(c) All fines collected under this subsection, after payment of commissions to officers entitled thereto, shall go to the county road fund if the offense is committed in the county, or to the city street fund if committed in the city.

(6) Any person who violates subsection (3) of KRS 189.320 shall be guilty of a misdemeanor.

(7) Any person who violates subsection (1) of KRS 189.370 shall be fined not more than five hundred dollars or imprisoned for not more than six months, or both.

(8) Any person who violates KRS 189.500 shall be fined not more than five dollars in excess of the cost of the repair of the road.

(9) Any person who violates KRS 189.510 shall be fined not less than ten nor more than fifty dollars.

(10) (a) Any person who violates subsection (2) of KRS 189.520 shall be fined, for the first offense, not less than one hundred nor more than five hundred dollars, and for each subsequent offense he shall be fined not less than one hundred nor more than five hundred dollars and imprisoned for not more than six months.

(b) Any peace officer who violates subsection (3) of KRS 189.520 shall be fined not less than twenty-five nor more than one hundred dollars.

(11) Any person who violates KRS 189.530 shall be fined not less than twenty-five nor more than one hundred dollars or imprisoned not less than thirty days nor more than twelve months, or both.

(12) Any person who violates any of the provisions of KRS 189.550 shall be fined not less than ten nor more than one hundred dollars for each offense.

(13) Any person who violates subsection (2) of KRS 189.560 shall be fined not less than twenty nor more than one hundred dollars for each offense.

(14) The fines imposed by subsection (4) (a) and subsections (8) and (9) of this section shall, in the case of a public highway, be paid into the county road fund, and in case of a privately owned road or bridge be paid to the owner. These fines shall not bar an action for damages for breach of contract.

(15) Any person who violates any of the provisions of KRS 189.120 shall be fined not less than ten dollars nor more than one hundred dollars for each offense.

(16) Any person who violates any provision of KRS 189.575 shall, upon conviction thereof, be fined not exceeding twenty-five dollars.

(17) Any person who violates subsection (2) of KRS 189.231 shall be fined not less than ten dollars nor more than one hundred dollars for each offense.

(18) (a) Any person who violates any of the provisions of KRS 189.565 shall be fined not less than fifteen dollars nor more than two hundred dollars, or imprisoned for not more than thirty days, or both.

(b) In addition to the penalties prescribed in *paragraph (a) of this* subsection [(1) of this section], in case of violation by any person in whose name such vehicle used in the transportation of inflammable liquids or explosives is licensed, such person shall be fined not less than one hundred nor more than five hundred dollars. Each violation shall constitute a separate offense.

Section 61. Section 189.993 of the 1968 Supplement to the Kentucky Revised Statutes is amended to read as follows:

(1) Any person who violates KRS 189.045 shall be fined not less than one hundred dollars nor more than one thousand dollars.

(2) [(1)] Any person who violates the provisions of KRS 189.047 shall be fined not less than ten nor more than one hundred dollars for each offense and the lighting equipment shall be ordered removed and confiscated upon conviction.

(3) [(2)] Any person convicted of violating any of the provisions of KRS 189.095 shall be fined fifty dollars and costs of prosecution.

(4) [(3)] Any person who violates any provision of KRS 189.205 shall be fined not less than ten nor more than one hundred dollars.

(5) Any person, firm or corporation violating the provisions of KRS 189.275 shall be fined not less than twenty dollars nor more than one hundred dollars.

(6) [(4)] Any person who violates any provision of KRS 189.375 shall be fined not less than ten nor more than one hundred dollars.

(7) [(5)] Any person who violates KRS 189.505 shall be fined not less than fifty dollars nor more than two hundred dollars or be imprisoned for not more than thirty days, or both.

(8) [(6)] Any person who violates any of the provisions of subsection (1) of KRS 189.645 or subsection (4) of 189.730 shall be fined not less than one nor more than one hundred dollars.

(9) [(7)] Any person operating an official inspection station who violates any of the provisions of subsection (4) of KRS 189.651 shall have his permit revoked.

(10) [(8)] Any person who violates any of the provisions of subsection (3) of KRS 189.655 or subsection (2) of KRS 189.651 or subsection (3) of KRS 189.730 shall be fined not less than one hundred nor more than five hundred dollars.

(11) [(9)] Any person who violates any of the provisions of subsection (1) of KRS 189.655 or subsection (3) of KRS 189.651 shall be confined in the penitentiary for not less than one nor more than five years.

(12) [(10)] Any person who violates any of the provisions of subsection (1) of KRS 189.651 shall be fined not less than five hundred nor more than five thousand dollars or shall be confined in the penitentiary for not less than one nor more than ten years.

(13) [(11)] Any person who violates any provision of KRS Ch. 189 for which no penalty is otherwise provided shall, upon conviction, be fined not less than ten dollars nor more than one hundred dollars for each offense.

Section 62. Section 199.380 of the Kentucky Revised Statutes is amended to read as follows:

No person or persons shall board or lodge children under the age of sixteen years, or in any manner conduct a boarding home or boarding house for children under the age of sixteen years, unless authorized and empowered so to do, in writing, by the health officer of the county in which such boarding home or boarding house is conducted. Before authorizing or empowering any person or persons to board or lodge children under the age of sixteen years, or in any manner to conduct a boarding house or boarding home for such children, the health officer to whom an application is made for such authority or power shall make or cause to be made, an investigation to determine whether such person or persons have made suitable, sanitary and satisfactory arrangements for the health of such children. When such authority and power have been granted by a health officer the same may be revoked at any time, in the discretion of said health officer, when he shall determine that arrangements for the health of the children boarded or lodged in such boarding home or boarding house are unsuitable and unsatisfactory, and in no event shall such authority and power be effective for a longer period than one year following the granting of same. Whenever the health officer of any county shall be notified by the juvenile court of such county, or notified by the probation officer thereof, that the person or persons operating a boarding home or boarding house for children under the age of sixteen years or not making suitable and satisfactory arrangements for the health of the children being boarded or lodged therein, he shall make or cause to be made an investigation to determine whether or not the power and authority of such person or per-

sons to operate such home shall be revoked. Any person who boards or lodges a child under the age of sixteen years without having the permit provided for herein shall be guilty of an offense and punished as provided in subsection *(3)* [(7)] of KRS 199.990.

Section 63. Section 199.390 of the Kentucky Revised Statutes is amended to read as follows:

Every person who boards or lodges children under the age of sixteen years or conducts a boarding house or boarding home for such children, shall keep a book, securely bound, in which shall be entered the name, sex and race of every child boarded or lodged in the house or home conducted by him or her, together with the names and postoffice addresses of the parents of such child, the date such child was placed in such house or home, the date of such child's birth and the amount charged each week or month as compensation for boarding or lodging such child. Such facts shall be entered in said book at the time said child is placed in said house or home and shall be signed by the person or persons placing said child therein before leaving the premises upon which said house or home is conducted. Such book shall always be available for inspection by the health officer of the county in which said house or home is situated, or the judge of the juvenile court of said county, or any probation officer of said court. Failure to comply with the provisions of this section shall constitute an offense, punishable as provided in subsection *(3)* [(7)] of KRS 199.990.

Section 64. Section 199.400 of the Kentucky Revised Statutes is amended to read as follows:

Whenever the county judge of any county, in his discretion, deems it necessary that a person accepting a nonresident child for boarding or lodging in this Commonwealth shall satisfy him that such a nonresident child shall never become a charge upon the Commonwealth or any subdivision thereof, he may require that the proper public authorities of the state or county in which the nonresident child resides, furnish security, to his satisfaction, that they will assume the care and custody of such child in the event such child becomes a charge upon this Commonwealth or any subdivision thereof. Whenever any county judge shall enter an order that such security shall be furnished for all non-

resident children boarded or lodged in his county, no child shall thereafter be accepted for boarding or lodging in said county until such security is furnished. Any person who accepts a nonresident child under the age of sixteen years for boarding or lodging, in any county, without the furnishing of the security provided for herein, after the county judge of the county has provided by order for the furnishing of such security, shall be guilty of an offense and punished as provided in subsection *(3)* [(7)] of KRS 199.990.

Section 65. Section 199.430 of the Kentucky Revised Statutes is amended to read as follows:

(1) In the discharge of the duties imposed by KRS 199.410 to 199.670 the commissioner or his duly authorized representative may administer oaths and affirmations, take depositions, certify official acts, and issue subpoenas to compel the attendance of witnesses and production of books, papers, correspondence, memoranda and other records considered necessary and relevant as evidence in connection with the administration of the *department* [division]. Such subpoena shall be served in the same manner as a subpoena issued out of a circuit court. Witnesses subpoenaed shall be allowed witnesses' fees according to the rates prescribed by KRS 421.010 for each day their attendance is actually required at a hearing.

(2) No person shall be excused from attending and testifying or from producing books, papers, correspondence, memoranda or other records in response to such subpoena on the grounds that the evidence required of him may tend to incriminate him or subject him to a penalty or forfeiture. No person shall be prosecuted or subjected to any suit, penalty, or forfeiture on account of any transaction, matter, or thing concerning which he or his agent or worker is compelled, after having claimed privilege against self incrimination, to give evidence, except that such witness so testifying shall not be exempt from punishment for perjury.

(3) All letters, reports, communications, and other matters, written or oral, to the *department* [division] or any of its agents, representatives, or employes, or to any board or official functioning under KRS 199.410 to 199.670, which have been written, sent, or made in connection with the requirements and administration

of the *department* [division] shall be absolutely privileged and shall not be the subject matter or basis for any suit for slander or libel in any court, but no person testifying before the commissioner or his duly authorized representative shall be exempt from punishment for perjury. Information obtained shall not be published or be open for public inspection, except to public employes in the performance of their duties, but any interested party at a hearing before the commissioner or his duly authorized representative shall be supplied with information from such records to the extent necessary for the proper presentation of his case.

Section 66. Section 199.540 of the Kentucky Revised Statutes is amended to read as follows:

(1) Whenever a child adopted under KRS 199.470 to 199.520 reveals definite traits of ethnological ancestry different from those of the adoptive parents, and of which the adoptive parents had no knowledge or information prior to the adoption, a petition setting forth such facts may be filed by the original petitioner or the department at any time within five years after such adoption with the court which decreed the adoption, and if upon hearing the facts set forth in such petition they are established, the said court may enter a decree of annulment of the adoption and setting aside any or all rights or obligations which may have accrued by reason of said adoption.

(2) After the expiration of two years from the date of the entry of judgment of adoption, the validity thereof shall not be subject to attack in any procedure, collateral or direct, by reason of any irregularity in procedures had pursuant to KRS 199.470 to *199.520* [199.530].

Section 67. Section 208.140 of the Kentucky Revised Statutes is amended to read as follows:

(1) Before making disposition of the case of a child brought before the juvenile court, whether by petition pursuant to KRS 208.070 or by reason of having been taken into custody pursuant to KRS 208.110, the judge shall cause an investigation to be made, concerning the nature of the specific act complained of, and any circumstances surrounding the child which throw light on the future care and guidance which should be given the child. The

investigation shall include an inquiry into the child's age, habits, school record, general reputation and everything that may pertain to his life and character. The investigation shall also include an inquiry into the home conditions, life and character of the person having custody of the child. The result of the investigation shall be reported in writing to the judge previous to the final hearing of the child's case, and shall become a part of the record of the proceedings.

(2) The investigation shall be conducted by volunteer or salaried probation officers of the juvenile court or by a suitable public or private agency. The department [of Economic Security] may furnish investigation services under agreements with the individual juvenile courts. For this purpose, any county judge may enter into a contract on behalf of his county with the department [of Economic Security] for the furnishing of such services.

Section 68. Section 208.220 of the Kentucky Revised Statutes is amended to read as follows:

The department [of Economic Security] may assist the juvenile courts in placing children (who have committed public offenses) in family homes or boarding homes, and, under agreements with the individual juvenile courts, may assume responsibility for making such placements. Counties may pay or contribute towards the expenses of maintaining such children in family homes or boarding homes and, to the extent authorized by the fiscal court, the department [of Economic Security] may incur obligations chargeable to the county for such expenses.

Section 69. Section 208.340 of the Kentucky Revised Statutes is amended to read as follows:

(1) No probation officer, *nor employe of a probation office,* shall, without the consent of the county judge, divulge or communicate to any persons other than the court, a member of the advisory board of the court, or a representative of the department, any information obtained pursuant to the discharge of his duties, nor shall any record of the actions of the probation officer be made public except by leave of the county judge: Provided, that nothing in this subsection shall prohibit the probation officer from divulging or communicating such information to the court,

to his colleagues or superiors in his own department, to another probation officer having a direct interest in the record or social history of the child, or to a representative of any public or private social agency, institution, hospital or church having a direct interest in the record or social history of the child.

(2) All police records regarding children who have not reached their eighteenth birthday shall not be opened to scrutiny by the public. However, such police records shall be made available to the family, guardian or legal representative of the child involved. Such records shall also be made available to the court, probation officers, representatives of the department, or to a representative of any public or private social agency, institution, hospital or church having a direct interest in the record or social history of the child.

(3) This section shall relieve the probation officer or police officer from divulging such facts as a witness on the trial of any case, or the hearing of any proceedings, or the production of such records for use in such trial or proceedings; except that the facts may be divulged or the records produced where the case on trial is an appeal from the juvenile court's order, or a case transferred to circuit court from juvenile court pursuant to KRS 208.170, and the facts or records relate directly to the child's participation in the offense with which he is charged, if any.

Section 70. Section 212.740 of the Kentucky Revised Statutes is amended to read as follows:

Monies derived in the manner provided by KRS 212.720 to *212.755* [212.730] may be expended for the construction, alteration or modification of a public health center or other suitable housing facility for the county or city-county health department.

Section 71. Section 214.030 of the Kentucky Revised Statutes is amended to read as follows:

The powers and duties of the State Board of Health in the study and prevention of tuberculosis are coextensive with the state, and the objects of the Division of Tuberculosis *Control* are:

(a) To study tuberculosis in all its forms and relations, to secure and disseminate information with reference to tuberculosis, to promote and carry on a campaign of education with reference

thereto, and in general to pursue any other activities to inform the public as to the nature of tuberculosis, its dangers and the means whereby its spread may be prevented.

(b) To secure proper legislation for the relief and prevention of tuberculosis.

(c) To cooperate with the public authorities, state and local boards of health, the National Association for the Study and Prevention of Tuberculosis, medical societies and other organizations in approved measures adapted for the prevention of tuberculosis.

(d) To encourage the establishment throughout the state of local associations for the purpose of undertaking in their particular localities the work carried on by the division.

(e) To encourage adequate provision for consumptives by the establishment of sanatoria, hospitals and dispensaries.

Section 72. Section 215.350 of the Kentucky Revised Statutes is amended to read as follows:

(1) The State Board of Health shall visit, at such periods as in its descretion may be sufficient, any sanatoria established under the provisions of KRS 215.080 to 215.340, and shall recommend to the boards of trustees of the sanatoria any changes in management or in employes that it deems necessary and proper. If, in the opinion of the State Board of Health, any board of trustees or member of such board or employe of any sanatorium, state or county, is incompetent or neglectful of duty, the State Board of Health shall prefer charges against the board, member or employe. All charges against a board of trustees or a member thereof shall be made to the officer authorized to make the appointment, and if he deems the charges adequate and sustained he shall remove the board or member. All charges against employes shall be made to the board by whom employed, and if in the opinion of the board the charges are adequate and sustained the board shall at once remove the employe.

(2) The Director of the Division of Tuberculosis *Control* in the Department of Health shall visit all sanatoria, both public and private, at least once during each calendar year, and report and file with the records of the Department of Health a statement of the condition and efficiency of each sanatorium.

(3) The State Board of Health may make such rules and regulations, not in conflict with the powers delegated to the local boards, as may be necessary to enforce the provisions of KRS 215.080 to 215.340 and to control the action of local boards when its members fail or refuse to execute the provisions of those sections.

Section 73. Section 216.440 of the Kentucky Revised Statutes is amended to read as follows:

The licensing agency, after notice to the applicant or licensee and after a hearing as herein provided, is authorized to deny, suspend or revoke a license in any case in which it finds that there has been a substantial failure to comply with the requirements established under KRS *216.400 to 216.500* [416.400 to 416.500]. Notices of hearing shall be issued in the name of the licensing agency by the secretary thereof and shall state the time and place of the hearing, which shall not be less than thirty days from service of the notice, and shall also contain a concise statement of the reason for the hearing and sufficient information to reasonably apprise the applicant or licensee of the substance of the facts claimed to constitute a violation of KRS *216.400 to 216.500* [416.400 to 416.500]. Service of such notices may be effected in the manner prescribed by law for the service of civil process, or may be effected by any member or employe of the licensing agency personally delivering same to the applicant or licensee, or by the licensing agency forwarding same to the applicant or licensee, by United States registered mail postage prepaid at the address of the applicant or licensee as reflected by the records of the licensing agency. The hearing may be conducted by the licensing agency in person or by a hearing officer or a hearing committee appointed by the licensing agency; all members of the licensing agency, and all persons appointed by the licensing agency as hearing officer or as members of a hearing committee are authorized to administer oaths, issue subpoenas for the attendance of witnesses and for the production of books, papers and documents and to cite for contempt, before the circuit or quarterly court in the county in which the hearing is held, disobedience of its process or contumacious or disrespectful conduct. The applicant or licensee proceeded against shall be known as "respondent" and shall be entitled to be represented at the hearing in person or by counsel, or both, and shall

be entitled to introduce testimony by witnesses or, if the licensing agency so permits, by depositions. All decisions revoking, suspending or denying licenses or applications shall be made by the licensing agency and shall be recorded in the minutes of the licensing agency, which may review any and all orders and rulings made by a hearing officer or hearing committee, and which shall consider the entire transcript of the record of hearing that shall be prepared and furnished to the licensing agency in the event the hearing is conducted by a hearing officer or hearing committee. The secretary of the licensing agency shall notify, by registered United States mail postage prepaid, the applicant or licensee of the decision of the licensing agency, which decision shall become final and conclusive thirty days after notice thereof is given as above provided, unless the applicant or licensee, within said thirty-day period, appeals to the court therefrom pursuant to KRS 216.480. The procedure governing hearings authorized by this section shall be in accordance with rules promulgated by the licensing agency with the advice and approval of the hospital council.

Section 74. Section 216.813 of the Kentucky Revised Statutes is amended to read as follows:

(1) The authority may provide for the issuance of revenue bonds to pay all or any part of the cost of any projects undertaken pursuant to an agreement and lease. The principal and interest on such bonds are payable solely from the funds provided for such payment. Any issue may be in one or more series and any such series may enjoy equal or subordinate status with respect to the pledge of funds from which they are payable, shall be dated, shall bear interest at such rate or rates not exceeding six percent per annum, shall mature at such time or times not exceeding forty years from their date or dates, all as may be provided by the authority, and may be made redeemable before maturity, at the option of the authority, at such price or prices and under such terms and conditions as may be fixed by the authority prior to the issuance of the bonds. The authority shall determine the form of the bonds, including any interest coupons to be attached thereto, and shall fix the denomination of the bonds and the place or places for payment of principal and interest, which may be at any bank or trust company within or without the Commonwealth or at the office of the Department

of Finance. The bonds shall be signed by the facsimile signature of the chairman of the authority, and the seal of the authority or a facsimile thereof shall be affixed thereto and attested by the manual signature of the secretary of the authority, and any coupons attached thereto shall bear the facsimile signature of the chairman of the authority. In case any officer whose signature or a facsimile of whose signature shall appear on any bonds or coupons shall cease to be such officer before the delivery of such bonds, such signature or such facsimile shall nevertheless be valid and sufficient for all purposes the same as if he had remained in office until such delivery. All bonds issued under the provisions of KRS 216.800 to 216.853 have all the qualities and incidents of negotiable instruments under the Uniform Commercial Code, KRS Ch. 355. The bonds may be issued in coupon or in registered form, or both, as the authority may determine, and provision may be made for the registration of any coupon bonds as to principal alone and also as to both principal and interest, and for the reconversion into coupon bonds of any bonds registered as to both principal and interest. The authority may sell such bonds in such manner, either at public or private sale and for such price as it may determine will best effect the purposes of KRS 216.800 to 216.853, but no such sale shall be made at a price so low as to require the payment of interest on the money received therefor at more than six percent per annum computed with relation to the absolute maturity of the bonds in accordance with standard tables of bond values, excluding, however, from such computations the amount of any premium to be paid on redemption of any bonds prior to maturity.

(2) The proceeds of the bonds of each issue shall be used solely for the payment of the cost of the project or projects for which such bonds shall have been issued, and shall be disbursed in such manner and under such restrictions, if any, as the authority may provide in the proceedings authorizing the issuance of such bonds or in the trust indenture securing the same. If the proceeds of the bonds of any issue, by error of estimates or otherwise, shall be less than such cost, additional bonds may in like manner be issued to provide the amount of such deficit, and, unless otherwise provided in the proceedings authorizing the issuance of such bonds or in the trust indenture securing the same, shall be deemed to be of the same issue and shall be en-

titled to payment from the same fund without preference or priority of the bonds first issued. If the proceeds of the bonds of any issue exceed such cost, the surplus shall be deposited to the credit of the sinking fund or funds for such bonds or any account or accounts therein as the authority shall have provided in the proceedings or trust indenture authorizing and securing such bonds.

(3) Prior to the preparation of definitive bonds, the authority may, under like restrictions, issue notes or temporary bonds, with or without coupons, exchangeable for definitive bonds when such bonds shall have been executed and are available for delivery. The authority may also provide for the replacement of any bonds which shall become mutilated or shall be destroyed or lost. Bonds may be issued under the provisions of KRS *216.800 to 216.853* [58.210 to 58.315] without obtaining the consent of any department, division, commission, board, bureau or agency of the Commonwealth, and without any proceedings or any other conditions or things, except as specifically required by KRS 216.800 to 216.853. KRS 216.800 to 216.853 will supersede KRS 56.450 in regard to the sale of revenue bonds by this authority.

Section 75. Section 224.340 of the Kentucky Revised Statutes is amended to read as follows:

In exercising the power conferred upon it by this chapter the commission shall give due recognition to the policy as heretofore expressed in *KRS 224.320* [paragraph 1 of the preamble]. The commission, in fixing standards, shall require the use of all available, practical, and reasonable methods to prevent and control air pollution in the Commonwealth of Kentucky. It shall give due recognition to the quantity of characteristics of air contaminants or the duration of their presence in the atmosphere. It shall take into consideration in this connection such factors, among others, found by it to be proper and just, existing physical conditions, public benefit, that the degree of conformance therewith that may be proper as to an essentially residential area of the state may not be proper as to a highly industrial area of the state, and, further, the relationship between the intensity and composition of air pollution and the health of the public and damage to or interference with enjoyment of property. It shall

give reasonable consideration to the interests of all parties concerned.

Section 76. Section 230.447 of the Kentucky Revised Statutes is amended to read as follows:

(1) The commission shall adopt rules governing and regulating mutuel wagering on *quarter horse* [thoroughbred] races under what is known as the pari-mutuel system of wagering. Such wagering shall be conducted only by a person licensed under KRS 230. 410 to 230.447 to conduct a quarter horse race meeting and only upon the licensed premises and on the dates and hours for which racing has been authorized by the commission. The pari-mutuel system of wagering shall be operated only by a totalizator or other mechanical equipment approved by the commission. The commission shall not require any particular make of equipment.

(2) In no event shall the operation of a pari-mutuel system for betting where authorized by law constitute grounds for the revocation or suspension of any license issued and held under KRS 230.410 to 230.447.

(3) All reported but unclaimed pari-mutuel winning tickets held in this state by any person or association operating a pari-mutuel or similar system of betting at *quarter horse* [thoroughbred] race meetings shall be presumed abandoned within the meaning of KRS Ch. 393, if not claimed by the person entitled thereto within two years from the time the ticket became payable.

Section 77. Section 247.500 of the Kentucky Revised Statutes is amended to read as follows:

(1) The board shall review the assessment program annually. If, at the end of each year after the first year of the assessment program, the board determines that the producers in the referendum area representing fifty percent of the production of milk are not participating in the program, the commissioner shall then conduct a referendum among the producers in such area. If, upon such referendum, a majority of the producers in such area, reject such program, it shall be terminated as at the end of the month in which such referendum for such area was conducted and held; otherwise such assessment program shall continue in force and effect.

(2) If the certified commission, council, board, association, or other agency of producers expresses in writing its desire to the commissioner to discontinue the assessment program and terminate the same, the commissioner shall within fifteen days following receipt of such request convene the board to renew and act on such request. The board, after reviewing such request and conducting whatever proceedings are deemed appropriate and necessary in connection with such request, may terminate such program effective at the end of the month in which such board action is taken; and in this event the commissioner shall *notify,* by registered or certified mail, the purchasers of such agricultural commodity of the termination of such program.

Section 78. Section 257.020 of the Kentucky Revised Statutes is amended to read as follows:

The board shall:

(1) Enforce the provisions of this chapter;

(2) Adopt and enforce such measures as it deems necessary to improve and protect the livestock industry;

(3) Prevent, control and eradicate any communicable disease of livestock;

(4) Investigate the prevalence of communicable diseases in livestock upon receipt of reports of such diseases;

(5) Issue such literature as it deems necessary for public distribution;

(6) Give information and instruction to farmers and breeders and feeders of livestock, in the nature, cause, prevention and control of communicable diseases; *and*

(7) Regulate the importation, sale, use and distribution of products or material used in the diagnosis, treatment of prevention of livestock diseases. [; and

(8) Receive and receipt for all moneys receivable from licenses provided for in KRS 257.190.]

Section 79. Section 257.990 of the Kentucky Revised Statutes is amended to read as follows:

(1) Any person who violates any regulation promulgated

by the board under the provisions of this chapter, for the violation of which no other penalty is provided in this section, shall be fined not less than ten dollars nor more than fifty dollars for the first offense; for each subsequent offense he shall be fined not less than one hundred dollars nor more than five hundred dollars, or be imprisoned not more than thirty days, or both.

(2) Any person who violates KRS 257.040 shall be fined not less than fifty dollars nor more than two hundred dollars.

(3) Any person who violates KRS 257.050 shall be fined not less than fifty dollars nor more than two hundred dollars for the first offense; for each subsequent offense he shall be fined not less than five hundred dollars nor more than one thousand dollars, and shall be imprisoned for not less than sixty days nor more than one hundred and twenty days.

(4) Any person who violates subsection (1) of KRS 257.060 shall be fined not less than two hundred dollars nor more than one thousand dollars for the first offense; for each subsequent offense he shall be fined not less than five hundred dollars nor more than fifteen hundred dollars, and shall be imprisoned for not less than sixty days nor more than one hundred and twenty days.

(5) Any person who violates subsection (2) of KRS 257.060 shall be fined not more than five hundred dollars.

(6) Any person who violates any of the provisions of KRS 257.080, subsection (2) of KRS 257.160, *or* KRS 257.180 [, or subsection (2) of KRS 257.190] shall be fined not less than ten dollars nor more than fifty dollars.

(7) Any person who fails to comply with subsection (1) of KRS 257.090 shall be civilly liable for all damages that occur by spreading the disease and shall be fined not less than twenty dollars nor more than one hundred dollars.

(8) Any person who fails to comply with subsection (2) (c) of KRS 257.090 shall be fined not less than one hundred dollars nor more than five hundred dollars.

[(9) Any person who violates subsection (1) of KRS 257.190 shall be fined not less than five hundred dollars nor more than five thousand dollars.]

(9) [(10)] Any person who violates any ruling of the board or who hinders any agent of the board in carrying out the duties assigned to him, or any officer who refuses to enforce the provisions of this chapter when called upon by the board to do so, or any other person who in any way attempts to hinder or obstruct the board in carrying out the provisions of this chapter shall be fined not less than twenty-five dollars nor more than one hundred dollars for each offense.

[(11) Any person who violates KRS 257.075 shall be fined not less than two hundred dollars nor more than one thousand dollars for each offense.]

(10) [(12)] Any person who violates any provision of KRS 257.330 to 257.350 or the regulations made thereunder for carrying out their provisions, or who fails or refuses to comply with or intends to deceive or who answers or represents falsely in response to any requirement of KRS 257.330 to 257.350, or who willfully interferes with the Livestock Sanitary Division of the Department of Agriculture, or State Veterinarian, their employes or agents, in the carrying out of their duties provided in KRS 257.330 to 257.350, shall be guilty of a misdemeanor. Any person who shall violate any of the provisions of KRS 257.330 to 257.350 shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not to exceed one hundred dollars.

(11) [(13)] Any person, firm or corporation who shall violate any provision of KRS 257.370 to 257.460 or any rule or regulation made under authority thereof shall be guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not to exceed one hundred dollars for each offense.

Section 80. Section 258.165 of the Kentucky Revised Statutes is amended to read as follows:

(1) Any person who keeps or operates a kennel may, in lieu of the license for each dog required by KRS *258.135* [258.125], apply to the dog warden for a kennel license entitling him to keep or operate a kennel. Such application shall be accompanied by a license fee of ten dollars for each license to keep ten dogs or less and fifteen dollars for each license to keep more than ten dogs. Such license fees shall be collected, paid to the

department, and credited to the Livestock Fund in the same manner as the regular dog license fees.

(2) A kennel license shall be issued on a form prescribed and supplied by the department.

(3) Upon the issuance of a kennel license, the person who keeps or operates the kennel shall be furnished a number of tags prescribed and supplied by the department equal to the number of dogs authorized to be kept in the kennel.

(4) The licensee of a kennel shall keep a tag attached to a collar on each dog kept by him at all times, and such tags may be transferred from one dog to another within the kennel whenever any dog is removed from the kennel.

Section 81. Section 258.500 of the Kentucky Revised Statutes is amended to read as follows:

(1) When a blind person is accompanied by a guide dog, neither the blind person nor the dog shall be denied admittance to any hotel, motel, restaurant or eating establishment, nor shall the blind person be denied full and equal accommodations, facilities and privileges of all public places of amusement, theater or resort when accompanied by a guide dog.

(2) Any blind person accompanied by a guide dog shall be entitled to full and equal accommodations on all public transportation, provided that the guide dog shall not occupy a seat in any public conveyance, nor endanger the public safety.

(3) Such blind person shall not be required to pay additional charges or fare for the transportation of any accompanying guide dog.

(4) Any blind person accompanied by a guide dog shall not be denied admittance and use of any public building, nor denied the use of any elevator operated for public use.

(5) Any blind person accompanied by a guide dog may keep such animal in his or her immediate custody while a tenant in any apartment, or building used as a public lodging.

(6) The provisions of this section shall not apply unless the guide dog has been trained by a recognized training agency or school, and is properly harnessed and muzzled.

(7) All blind persons accompanied by such a trained guide dog must have in their personal possession a certificate issued by the guide dog training agency or school establishing that his dog has been so trained.

(8) The provisions of this section shall not apply unless the blind master complies with the legal limitations applicable to sighted persons [.] *and unless* [(9)] all requirements of KRS 258.015, 258.135 and 258.145 have been complied with.

Section 82. Section 287.010 of the Kentucky Revised Statutes is amended to read as follows:

(1) As used in this chapter, unless the context requires otherwise:

(a) "Bank" includes every corporation authorized by this chapter to do a banking business;

(b) *"Commissioner"* ["Director of banking"] means the Commissioner of Banking *and Securities;*

(c) *"Department"* ["Division"] means the Department of Banking *and Securities;*

(d) "Population" means the population as indicated by the latest regular United States census; and

(e) "Trust company" includes every corporation authorized by this chapter to do a trust business.

(2) Whenever a corporation engages in the business of real estate title insurance and also a banking or trust business under the provisions of this chapter, the banking or trust business shall be regulated by this chapter and the real estate title insurance business shall be regulated by the laws relating to real estate title insurance companies.

Section 83. Section 303.010 of the Kentucky Revised Statutes is amended to read as follows:

(1) As used in this chapter, unless the context requires otherwise "commissioner" means the Commissioner of Insurance.

(2) As used in KRS 303.020 to 303.080, unless the context requires otherwise, "hospital service" includes bed, board, use of operating room, ordinary medications, surgical dressings,

general nursing care, and other routine procedures approved by the board of health.

(3) Hospital service corporations organized under KRS 303.020 to 303.080 shall be exempt from all provisions of the insurance laws of this state except as otherwise specifically provided in KRS 303.020 to 303.080. No amendment to the insurance laws shall apply to hospital service corporations unless the amendment specifically so states.

(4) As used in KRS 303.090 to *303.110* [303.120], 303.130 to 303.150, and 303.990, unless the context requires otherwise:

(a) "Association" or "burial association" means all individuals, partnerships, cooperative and other kinds of societies, corporations and organizations of every kind, which, in consideration of the payment of dues, fees, assessments or premiums, shall issue any kind of policy (as defined in paragraph (b) of this subsection) or have in effect any bylaw under which the insured is to be provided with a funeral or funeral expenses, except those described in subsection (5) of this section; and

(b) "Policy" means any policy, certificate, agreement, bond, assurance or guarantee of a funeral benefit, issued by a burial association.

(5) KRS 303.090 to 303.150 and 303.990 do not apply to fraternal or fraternal beneficiary societies, or to assessment, life and accident insurance companies operating under the laws of the state, or to any society which pays sick or disability benefits and limits its membership to a particular class of persons or to the employes of a designated employer.

(6) As used in KRS 303.160 to 303.240, unless the context requires otherwise:

(a) "Medical service" means the general and usual services rendered and care administered by doctors of medicine. It shall not include hospital services, nursing services, the furnishing of drugs, services rendered under the Workmen's Compensation Act, or services rendered to a group under a plan that is mutually acceptable to that group and to those furnishing medical service.

(b) "Medical service plan" means a plan or arrangement under which medical services are or may be rendered to a

subscriber by a licensed physician and surgeon at the expense of a medical service plan corporation.

(c) "Participating physician" means a doctor of medicine licensed to practice medicine or surgery in this state under the provisions of the Medical Practice Act who agrees in writing with the medical service plan corporation to perform the medical services specified by the corporation and at such rates of compensation as will be determined by the board of directors of the corporation and who agrees to abide by the bylaws, rules and regulations of the corporation.

(7) Hospital service corporations and medical service corporations organized under this chapter shall be specifically subject to the provisions of KRS 304.745 (1) and (2) notwithstanding any other limitations or exemptions in any section of this chapter.

Section 84. Section 304.018 of the Kentucky Revised Statutes is amended to read as follows:

(1) The commissioner shall have the authority expressly conferred upon him by or reasonably implied from the provisions of this code.

(2) The commissioner shall execute his duties and shall enforce the provisions of this code.

(3) The commissioner may:

(a) Make reasonable rules and regulations for effectuating any provision of this code. No such rules and regulations shall be effective prior to filing with the *Legislative Research Commission* [Secretary of State] as required by law.

(b) Conduct examinations and investigations to determine whether any person has violated any provision of this code or to secure information useful in the lawful administration of any such provision.

(c) Establish and maintain such branch offices in this state as may reasonably be required for the efficient administration of this code.

Section 85. Section 304.411 of the Kentucky Revised Statutes is amended to read as follows:

An insurer may invest and have invested at any one time not in excess of an aggregate of thirty percent of its assets in the bonds or other evidences of indebtedness of any telegraph or telephone corporation, or corporation engaged in furnishing gas, electricity, heat, light, power, water or transportation directly or indirectly, to the public in a city in the United States or Canada, adequately secured by first mortgage or pledge of property of the corporation issuing them, or by adequate collateral, and in any such corporation's debentures subject to the same qualifications as are stated in subsections *(2) and* (3) [and (4)] of KRS 304.415, if:

(1) No default in payment of principal or interest on the bonds or other evidences of indebtedness to be purchased has occurred within five years of the date of investment therein, or, if such bonds or other evidences of indebtedness were issued less than five years prior to the date of investment therein, since issuance; and

(2) The issue has been approved by the proper public authority if such approval was required by law at the time of issue.

Section 86. Section 304.412 of the Kentucky Revised Statutes is amended to read as follows:

An insurer may invest and have invested at any one time not in excess of an aggregate of ten percent of its assets in the bonds or other evidences of indebtedness of terminal, belt line and railroad companies in the United States or Canada, adequately secured by first mortgage or pledge of property of the corporation issuing them, or held in trust for its use or benefit, or by adequate collateral so secured, and in any such corporation's debentures subject to the same qualifications as are stated in subsections *(2) and (3)* [and (4)] of KRS 304.415, if:

(1) No default in payment of principal or interest on the bonds or other evidences of indebtedness to be purchased has occurred within five years of the date of investment therein, or, if such bonds or other evidences of indebtedness were issued less than five years prior to the date of investment therein, since issuance; and

(2) The issue thereof has been approved by the proper

public authority if such approval was required by law at the time of issue.

Section 87. Section 318.080 of the Kentucky Revised Statutes is amended to read as follows:

(1) In order to conduct examinations for persons to qualify as licensed master plumbers or journeyman plumbers, the department shall appoint as examiners the following persons to a State Plumbers Examining Committee: The Director of the Division of *Sanitary* Engineering in the Department of Health, and three other persons who shall be licensed either as master or journeyman plumbers. The Commissioner of Health shall be an ex-officio examiner and permanent secretary of the committee. With the exception of the issuance of any order involving the revocation, suspension or cancellation of a master or journeyman plumber's license, the Commissioner of Health or the Director of the Division of *Sanitary* Engineering may delegate to a subordinate employe in the department the power to be present and participate, including the right to vote, as his representative at any meeting, hearing or other proceeding of the State Plumbers Examining Committee. Plumber examiners shall serve at the pleasure of the department.

(2) The department shall appoint assistant plumber examiners who shall be qualified licensed master or journeyman plumbers who shall serve at the pleasure of the department. Assistant plumber examiners shall perform such duties as are delegated to them by the State Plumbers Examining Committee.

(3) Plumber examiners and assistant plumber examiners shall receive no compensation for their services but shall be reimbursed for their necessary traveling expenses.

Section 88. Section 332.050 of the Kentucky Revised Statutes is amended to read as follows:

(1) Every license issued for the operation of a driver training school shall expire on June 30 following the date of the issuance unless sooner revoked or cancelled.

(2) Before July 1 of each year every driver training school shall apply for renewal of its license. The application shall be on forms prepared and furnished by the department.

(3) Every license issued to a driver training instructor shall expire on June 30 following the date of the issuance unless sooner revoked or cancelled.

(4) *Before* [Between] July 1 of each year every driver training instructor shall apply for renewal of his license. Such application shall be on forms prepared and furnished by the department.

(5) All fees collected under this chapter or the rules and regulations adopted pursuant to this chapter shall be paid into the State Treasury and credited to a trust and agency fund to be used in defraying the costs and expenses of the administration of this chapter. No part of this fund shall revert to the general funds of the Commonwealth.

Section 89. Section 341.020 of the Kentucky Revised Statutes is amended to read as follows:

As used in this chapter, unless the context clearly requires otherwise:

(1) "Fund" means the Unemployment Insurance Fund established by KRS 341.490, to which all contributions, and from which all benefits shall be paid;

(2) "State" includes, in addition to the States of the United States of America, [Alaska, Hawaii,] the District of Columbia, Puerto Rico and the Dominion of Canada;

(3) "Contributions" means the money payments, exclusive of interest and penalties, to the Unemployment Insurance Fund required by this chapter and by any previous unemployment compensation law of this state; and

(4) "Benefits" means the money payments payable to a worker under this chapter and under any previous unemployment compensation law of this state with respect to his unemployment.

Section 90. Section 360.255 of the Kentucky Revised Statutes is amended to read as follows:

No creditor shall in any advertisement, publication, display, broadcast, solicitation or representation, make any false, misleading or deceptive statement concerning any finance, delin-

quency, or extension charge, or rate, or the security interest, collateral, terms, or conditions upon which it will make any credit agreement or finance the same. Any advertisement, publication, display, solicitation or representation containing a statement of a rate or rates of a finance charge, with respect to transactions subject to KRS *360.230* [360.225] as well as closed-end and revolving credits, shall be expressed in terms of a simple annual interest rate. The simple annual interest rate shall be computed (1) in the case of a closed-end credit, in accordance with the annual finance charge formula; (2) in the case of a revolving credit, by multiplying the periodic rate of charge by the number of payment periods in a year; or (3) in either case, by a formula approved by the commissioner upon application by a creditor.

Section 91. Section 385.021 of the Kentucky Revised Statutes is amended to read as follows:

(1) An adult person may, during his lifetime, make a gift of a security, a life insurance policy or annuity contract or money to a person who is a minor on the date of the gift:

(a) If the subject of the gift is a security in registered form, by registering it in the name of the donor, another adult person, an adult member of the minor's family, a guardian of the minor or a trust company, followed, in substance, by the words: "as custodian for _____
Name of minor
under the Kentucky Uniform Gifts to Minor's Act";

(b) If the subject of the gift is a security not in registered form, by delivering it to an adult other than the donor, [an adult member, other than the donor, of the minor's family, a guardian of the minor] or a trust company, accompanied by a statement of gift in the following form, in substance, signed by the donor and the person designated as custodian: "GIFT UNDER THE KENTUCKY UNIFORM GIFTS TO MINORS ACT I, _____ hereby deliver to _____
Name of donor Name of custodian
for _____ under the Kentucky Uniform
Name of minor
Gifts to Minors Act, the following security (ies): (insert an ap-

propriate description of the security or securities delivered sufficient to identify it or them).

_____
Signature of donor

_____ hereby acknowledges receipt of
Name of custodian

the above described security (ies) as custodian for the above minor under the Kentucky Uniform Gifts to Minors Act.
Dated: _____
Signature of custodian";

(c) If the subject of the gift is money, by paying or delivering it to a broker or a financial institution for credit to an account in the name of the donor, another adult, an adult member of the minor's family, a guardian of the minor or a trust company, followed, in substance, by the words: "as custodian for _____ under the Kentucky
Name of minor

Uniform Gifts to Minors Act";

(d) If the subject of the gift is a life insurance policy or annuity contract by causing the ownership of the policy or contract to be registered with the issuing insurance company in the name of the donor, another adult, an adult member of the minor's family, a guardian of the minor or a trust company, followed, in substance, by the words: "as custodian for _____ under the Kentucky Uniform Gifts
Name of minor

to Minors Act."

(2) Any gift made in a manner prescribed in subsection (1) may be made to only one minor and only one person may be the custodian.

(3) A donor who makes a gift to a minor in a manner prescribed in subsection (1) shall promptly do all things within his power to put the subject of the gift in the possession and control of the custodian, but neither the donor's failure to comply with this subsection, nor his designation of an ineligible person as custodian, nor renunciation by the person designated as custodian affects the cosummation of the gift.

Section 92. Section 387.180 of the Kentucky Revised Statutes is amended to read as follows:

[(2)] The necessary vouchers shall accompany and remain with the guardian's accounts presented for settlement. The settlement, when properly made, shall be prima facie evidence in his favor, but it may be surcharged and falsified by any person interested therein who did not contest the settlement.

Section 93. Section 389.040 of the Kentucky Revised Statutes is amended to read as follows:

(1) Remainder and contingent interest in real estate may be sold upon petition of any person having a present or vested interest, all persons in being having any interest in such estate being made parties to the action. If the court shall be satisfied that the interest of all concerned would be subserved by such sale, it shall adjudge accordingly; which judgment and sale thereunder shall invest the purchaser with all title of the present and future contingent claimants to the said real estate.

(2) The proceedings in the case provided for in subsection (1) of this section shall be the same in all respects, as far as necessary, as those provided for in *KRS 389.010* [article iv. of this chapter]; and any defendant refusing to have the sale made may have partition according to his interest, if he so desire, unless *the court shall be satisfied that the real estate is not susceptible to division, or that a division would materially impair its value* [in a case such as is provided for in section 6, article v., of this chapter].

(3) The proceeds of sale shall be by the court reinvested in the same kind of property, to be conveyed and held in the same manner, subject to like limitation, trust, and conditions, as the property which was sold: Provided, however, that the court shall cause all just claims for taxes, or other lawful assessments for public improvements upon the property, to be first paid, and only the balance of the proceeds be invested; or, upon a sale of a part of such property, the proceeds may be invested in suitable improvements upon the remaining land, under the direction of the court; or it shall be lawful for the court to cause the proceeds to be reinvested as provided in section 2, article v., of this chapter.

Section 94. Section 402.990 of the Kentucky Revised Statutes is amended to read as follows:

(1) Any party to a marriage prohibited by KRS 402.010 [or between a white person and a Negro or a mulatto] shall be fined not less than five hundred nor more than five thousand dollars. If the parties continue after conviction to cohabit as man and wife, either or both of them shall be imprisoned in the penitentiary for not less than three nor more than twelve months.

(2) Any person who aids or abets the marriage of any feeble-minded person, or attempts to marry, or aids or abets any attempted marriage with, an idiot or lunatic shall be fined not less than fifty nor more than five hundred dollars.

(3) Any authorized person, with or without a license, who knowingly solemnizes a marriage prohibited by this chapter shall be fined not more than one thousand dollars or imprisoned not less than one month nor more than twelve months, or both.

(4) Any minister or priest who breaches the covenant required by KRS 402.060 shall be fined not more than two thousand dollars.

(5) Any person who attempts to solemnize a marriage without a marriage license or without being authorized by the county court to solemnize marriages shall be fined not more than one thousand dollars or imprisoned for not less than one month nor more than twelve months, or both.

(6) Any unauthorized person who solemnizes a marriage under pretense of having authority, and any person who falsely personates the father, mother or guardian of an applicant in obtaining a license shall be imprisoned in the penitentiary for not more than three years.

(7) Any person who falsely and fraudulently represents or personates another, and in such assumed character marries that person, shall be imprisoned in the penitentiary for not less than one nor more than five years. Indictment under this subsection shall be found only upon complaint of the injured party and within two years after the commission of the offense.

(8) Any clerk who knowingly issues a marriage license to any persons prohibited by this chapter from marrying shall

be fined not less than five hundred nor more than one thousand dollars, and removed from office by the judgment of the court in which he is convicted.

(9) Any clerk who knowingly issues a marriage license in violation of his duty under this chapter shall be fined not more than one thousand dollars.

(10) If any deputy clerk or any person other than a county clerk knowingly issues a marriage license in violation of this chapter, but not for a prohibited marriage, he shall be fined not more than one thousand dollars, and if he knowingly issues a license for a marriage prohibited by this chapter he shall be fined not more than one thousand dollars or imprisoned not more than one year, or both.

(11) Any person who violates any of the provisions of KRS 402.090 shall be fined not less than ten nor more than one hundred dollars for each offense.

(12) Any county clerk who violates any of the provisions of KRS 402.110 or 402.230 shall be fined not less than twenty nor more than fifty dollars.

(13) Any person who violates any of the provisions of KRS 402.120 to 402.200 by disclosing any matter of confidential nature shall be fined one thousand dollars, which shall be paid to the applicant for a marriage license in lieu of damages. Upon failure to pay the fine, the defendant shall be imprisoned as for failure to pay any other fine.

(14) Any physician, laboratory representative, county clerk or applicant for a marriage license who violates any of the provisions of KRS 402.120 to 402.200, or makes any false representation of fact or identity, shall be fined not less than ten nor more than one hundred dollars, and imprisoned in the county jail for a term fixed by the jury.

(15) Any person failing to make the return required of him by KRS 402.220 shall be fined fifty dollars.

Section 95. Section 436.120 of the Kentucky Revised Statutes is amended to read as follows:

KRS 436.090, [436.100] and 436.110 do not apply to works

of a scientific character or prevent book publishers or dealers from issuing and selling books of scientific character.

Section 96. The following statutes and acts are repealed: KRS 212.630, 250.240, 250.250, 250.260, 250.270, 250.280, 250.290, 250.300, 250.310, 250.320, 250.330, 250.340, 250.350, 288.650, and 365.200, and Acts 1960, c. 148, § § 3(2), 5(2).

Section 97. Section 119.070 of the Kentucky Revised Statutes is amended to read as follows:

(1) The provisions of KRS 119.050 do not apply to candidates for judge of the Court of appeals or to candidates for judge of the circuit court. For such judicial positions any eligible person may become or be proposed as a candidate for nomination by any and every political party having a ticket to be voted for in the district for which the office is to be filled, but such persons shall not be required to seek the nominations nor to make a declaration of party loyalty or support, and as a requirement for such nomination shall not be required to be registered as affiliated with any political party or to be registered at all as a voter. The nomination may be proposed for an eligible candidate either by resolution of the proper committee, or by the application of *two* reputable electors, of any political party whose nomination is sought. The resolution or application shall be filed as provided by KRS 119.080 for other nomination papers. The name of a candidate shall not be placed upon the ballot if, before the preparation of the ballots, he files with the officer with whom the nomination papers were filed a written objection, signed and sworn to by him.

(2) The name of a successful candidate in the primary for nomination for judicial offices shall appear on the ballot at the regular election under the device of as many political parties as have nominated the candidate. He may appear thereon by petition of voters, or otherwise as may be permitted by law, and at the regular election shall be entitled to the total of the votes that he receives on the ballot.

(3) Before any successful candidate for judicial nomination is given his certificate of nomination, he shall file with the county clerk of the county in which he resides a statement that during the campaign for the nomination he did not, and while

a candidate for the office will not, knowingly violate any election law or any law relating to corrupt and fraudulent practice in campaigns or elections in this state, and if elected will qualify for the office.

Section 98. Subsection (1) of Section 28.440 of the Kentucky Revised Statutes is amended to read as follows:

(1) In counties having a population of 150,000 or more, the reporters of the criminal branch divisions of the circuit court shall receive the salaries which may be increased or decreased to the amount fixed by the presiding judges of said divisions by written recommendation to the fiscal court of the county *which* [the] recommendation shall become effective upon its approval by resolution of the fiscal court, but they shall receive no other compensation from the county or state for their services as reporters in the divisions, except as hereinafter provided. They shall receive thirty cents per hundred words for making a transcript for a person other than the county or state. If the transcript is made upon motion of the defendant in a criminal case, he shall pay the fee therefor, unless the court directs the reporter to file a transcript upon the motion of a party suing in forma pauperis, in which event the fee shall be paid by the county.

SB 100, AN ACT relating to parole.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Section 439.175 of the Kentucky Revised Statutes is amended to read as follows:

A county judge may grant parole to any person convicted of a misdemeanor within his jurisdiction after a study by him of information about the prisoner. The information may include the criminal record and social history of the prisoner, his conduct and attitude while in jail, reports of any physical and mental examinations made, circumstances of the prisoner's offense possibilities of employment and maintenance, and any other information available to the court in the best interests of society. The county judge may condition parole upon the regular reporting by, and proper control of, the parolee during the period of parole.

[(1) Parole may be granted to persons convicted of a misdemeanor and sentenced to jail under the same terms and conditions as parole may be granted for conviction in felony cases.

(2) The power to grant parole shall be vested in the county judge of the county wherein the misdemeanant may be confined.]

The Committee Amendment to **SB 100** is as follows:

Amend printed copy of Senate Bill 100 on page 1, lines 3 through 12, by:

deleting them in their entirety.

and on page 2, following line 6, by inserting the following:

(1) After the time has passed in which a motion for probation may be made, parole may be granted to persons convicted of a misdemeanor and sentenced to jail under the following terms and conditions.

(a) The parole court shall study pertinent information in regard to the misdemeanant, including his criminal record; his conduct, attitude and employment in jail; reports of such physical and mental examinations as have been made; the circumstances of his offense; and his previous social history;

(b) The parole court shall satisfy itself that arrangements have been made for the misdemeanant's proper employment or for his maintenance and care, and that he is willing and able to fulfill the obligations of a law abiding citizen;

(c) The parole court shall order parole only for the best interest of society and not as an award of clemency, and parole shall not be considered a reduction of sentence or pardon.

(2) The power to grant parole shall be vested in either the circuit or county judge of the county wherein the misdemeanant may be confined. The court may retain the misdemeanant on parole for a period of one year and during that period the parolee shall be under the supervision of and amenable to the order of the parole court.

SB 207, AN ACT relating to custody and disposition of stolen, confiscated, or lost property.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. A new section of Chapter 67 of the Kentucky Revised Statutes is created to read as follows:

(1) The fiscal court may designate the sheriff of the county, or if there is a county police department, the chief of the county police, as custodian of all property alleged to be or suspected of being the proceeds of crime, all property taken from the person of a prisoner, all lost or abandoned property taken into the custody of any member of the sheriff's office, the county police, or the courts, and all property taken from persons supposed to be insane, intoxicated, or otherwise incapable of taking care of themselves. The officer or court having custody of such property shall as soon as practicable deliver it into the custody of the property clerk.

(2) The sheriff or chief of county police designated as custodian of property shall appoint from persons on his staff, or may employ, a person to serve as property clerk and such other persons as may be necessary as deputy property clerks.

(3) All such property shall be particularly described and registered by the property clerk, or his deputy, in a book kept for that purpose, containing the name of the owner, if ascertained, the place where found, the name of the person from whom taken, with the general circumstances of its receipt, the name of the officer recovering the property, the names of all claimants thereto, and any final disposition of the property. The property clerk shall advertise the property for the information of the public as to the amount and disposition of the property.

(4) The fiscal court may prescribe regulations in regard to the duties of the property clerk and his deputies, and require security for the faithful performance of the duties imposed by this section.

(5) All animals stolen, strayed, lost, or confiscated that come into the possession of the property clerk shall be sent to a public pound located within the county.

(6) No property shall be delivered to the property clerk except as provided by this section.

(7) No property shall be disposed of by the property clerk or his deputies except in the manner prescribed by law, except that property which cannot be sold at auction as provided in Section 2 of this Act may be destroyed.

Section 2. A new section of Chapter 67 of the Kentucky Revised Statutes is created to read as follows:

(1) If any property in the custody of the property clerk is desired as evidence in any criminal court, such property shall be delivered to any officer who presents an order to that effect from the court. Such property shall not be retained by the court, but shall be returned to the clerk.

(2) All property that remains in the custody of the property clerk without any lawful claimant thereto, or which has been seized and may lawfully be disposed of by sale, may be sold at public auction in a suitable room designated for such purpose, after being advertised pursuant to KRS Ch. 424. The proceeds of such sale shall be paid into the fiscal court to the credit of the agency which has custody of the property.

(3) All sales of firearms, explosives, automobiles, and other property shall conform to all applicable state and federal requirements.

The Committee Amendment to **SB 207** is as follows:

Amend printed copy of Senate Bill 207 on page 1, line 5, by:

inserting after the word "property" the words "except firearms or explosives" and on page 3, line 14, by striking the words "firearms, explosives,"

The Committee on Elections and Constitutional Amendments reported **SB 275** with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

SB 275, AN ACT relating to absent voting.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Section 126.160 of the Kentucky Revised Statutes is amended to read as follows:

Applications for absent voter's ballot [s] *and absent voter's registration* shall be signed and sworn to by the absent voter before anyone authorized by law to administer an oath, provided neither the person so authorized nor his deputy or employe nor anyone for or with whom he works or with whom he is related by blood or marriage is a candidate to be voted for at the election. Except as provided in KRS 126.150, the application shall be substantially in the following form:

APPLICATION FOR ABSENT BALLOT
AND
ABSENT REGISTRATION BY MEMBERS
OF THE UNITED SERVICES

County Court Clerk of _____ County _____ Kentucky

I, _____, state that I am a duly qualified voter in _____ precinct of _____ County (or _____ ward of the City of _____, County of _____).

I reside at _____ (house number and street address, if in city or county road and nearest neighbor, if in county).

I am affiliated with the _____ Party. (To be completed for absentee registration by members of U. S. Services)

[I, _____ am not registered but]
[being otherwise qualified to vote, request to be regis-]
[tered in absentee in the precinct or ward and with the]
[party above specified, as I am a member, or a spouse or]
[dependent of a member, of the U.S. Services defined in]
[KRS 126.140. [Indicate U. S. Services Status _____]
[_____]
[_____]

I am eligible to vote in the election to be held on the _____ day of _____, 19____, but expect to be absent from the county on election day.

I request that an official ballot be mailed to me at the following address:

_____

Name and Address

_____

(Voter sign here, and oath administered and attested)

Subscribed and sworn to before me this ____ day of _____, 19____.

_____

(Name and Official Title)
(Notary or officer entitled to administer oaths)

[County Court Clerk of _____ County, _____, Kentucky.

I, _____, state that I am a duly qualified registered voter in _____ precinct of _____ County (or _____ ward of the city _____, county of _____ _____).

I am eligible to vote in the election to be held on the _____ day of _____, 19____.

I reside at _____ (house number and street address, if in city or county road and nearest neighbor, if in county) but I will be unavoidably absent from _____ County on the date of the above stated election due to the following reason:

_____

(Here set out briefly the reason for the absence from the county

_____

of residence)

_____

(Name and address)

_____

(Voter sign here, and oath administered and attested.)]

Section 2. Subsection (2) of Section 126.170 is amended to read as follows:

(2) Any person who has been registered under the provisions of [KRS 126.145] *KRS 126.160* shall [be required to] reregister in person *within six months following* [upon] his first return to the county of his residence [at a time when the books are open], *otherwise his absentee registration shall be cancelled.*

Section 3. Section 126.300 of the Kentucky Revised Statutes is amended to read as follows:

When the election paraphernalia is delivered to the precinct officers of each precinct, they shall examine the list of applicants for absentee ballots, [and shall also examine the stubs in the ballot book for the ballots which have been removed and mailed to the applicants for absentee ballots] for the purpose of ascertaining the person to whom absent voter's ballots have been sent. If any person so indicated as having received an absent voter's ballot appears and makes application to vote in person, he shall not be issued a ballot by the precinct officers.

Section 4. Section 126.145 of the Kentucky Revised Statutes is repealed.

The Committee on Business Organizations and Professions reported **SB 245, SB 295,** and **SB 388** with Committee Amendment attached thereto, with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

SB 245, AN ACT relating to age requirement for issuing professional licenses.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Section 304.525 of the Kentucky Revised Statutes is amended to read as follows:

To qualify for an agent's license, an applicant must otherwise comply with this code therefor and must:

(1) Be *eighteen* [twenty-one] years of age or over;

(2) If for other than a disability or a credit insurance agent, be a bona fide resident of and actually reside in this state, except as provided in KRS 304.549;

(3) Successfully pass an examination as required under KRS 304.521;

(4) Be a trustworthy person;

(5) Not intend to use or use the license for the purpose principally of writing controlled business, as defined in KRS 304.518;

(6) If for an agent's license, other than a temporary license under KRS 304.557, be appointed as its agent by an authorized insurer, subject to issuance of the license.

Section 2. Section 304.534 of the Kentucky Revised Statutes is amended to read as follows:

The commissioner shall license as a solicitor an individual only who meets the following requirements:

(1) Is a resident of this state.

(2) Is *eighteen* [twenty-one] years of age or over.

(3) Is to represent but one licensed agent.

(4) Has passed any examination as required under KRS 304.510 to 304.574.

(5) Is otherwise qualified under this code.

Section 3. Section 304.545 of the Kentucky Revised Statutes is amended to read as follows:

The commissioner shall license as an adjuster only an individual who has otherwise complied with this code therefor and who has furnished evidence satisfactory to the commissioner that he is qualified as follows:

(1) Is *eighteen* [twenty-one] or more years of age.

(2) Is a bona fide resident of this state, or is a resident of a state which will permit residents of this state to act as adjusters in such other state.

(3) Is a trustworthy person.

(4) Has had experience or special education or training with reference to the handling of loss claims under insurance contracts, of sufficient duration and extent reasonably to make him competent to fulfill the responsibility of an adjuster.

(5) Has successfully passed any examination as required under KRS 304.510 to 304.574.

(6) If for a public adjuster's license, has filed the bond required by KRS 304.548.

Section 4. Section 311.420 of the Kentucky Revised Statutes is amended to read as follows:

(1) The board shall conduct examinations at least twice a year at such times and places as the board deems convenient for applicants for licenses to practice podiatry in this state, and shall admit to examination any applicant who:

(a) Is at least *eighteen* [twenty-one] years of age;

(b) Is a citizen of the United States and a resident of the State of Kentucky:

(c) Is of good moral character and temperate habits; and

(d) Has completed a course in and graduated from a school or college of podiatry or chiropody approved by the board.

(2) The examination shall embrace the subjects of anatomy, physiology, chemistry, bacteriology, histology, pathology, dermatology, pedic-surgery, physio-therapy, diagnosis and treatment, materia medica and therapeutics, and other subjects as these subjects relate to antiseptics and anaesthetics and clinical podiatry or chiropody, but the examination shall be so limited in its scope as to cover only the minimum requirements for podiatry or chiropody educations.

(3) Applicants for examination shall present their credentials to the board by mail upon forms furnished by the board, and shall receive due notice of the place and date of the examination. Each application shall contain proof of the qualifications required of the applicant, shall be verified by the applicant under oath, and shall be accompanied by an examination fee of fifty dollars.

(4) The board shall issue a license to any person who complies with the provisions of KRS 311.380 to 311.520 and who satisfactorily passes the examination.

(5) The members of the board shall receive no compen-

sation for their services, but shall be paid their traveling and other necessary expenses while employed upon the business of the board.

Section 5. Section 311.570 of the Kentucky Revised Statutes is amended to read as follows:

(1) No person shall be eligible for a regular license under KRS 311.550 to 311.620, unless (a) at least *eighteen* [twenty-one] years of age, (b) of good moral character, (c) a citizen of the United States of America, (d) graduated from an accredited high school or its equivalent and satisfactorily completed and graduated from a four-year course of instruction in a medical or osteopathic school or college situated in the United States or Canada and approved by the board during the entire period of attendance thereat, (e) satisfactorily completed at least one year internship in an institution approved by the board, and (f) possessing all of the other qualifications that may be prescribed by rules and regulations of the board. Provided, however, that the foregoing shall not be construed to prohibit the board from issuing a regular license to persons who have attended medical or osteopathic schools or colleges situated outside the United States or Canada if such schools or colleges are approved by the board and if the applicant has successfully completed at least five years training in the United States in a hospital or other institution approved by the board and has also successfully passed a regular examination conducted by the National Board of Medical Examiners.

(2) Subject to the exceptions set out herein, no person who possesses the qualifications set out in (a), (b) and (c) of subsection (1) of this section, and who has been graduated from an accredited high school, has satisfactorily completed a premedical course of instruction of at least two years in an accredited college or university, has satisfactorily completed and been graduated from a four-year course of instruction in a medical or osteopathic school or college situated in the United States or Canada and approved by the American Medical Association or the American Osteopathic Association during the entire period of attendance thereat, and who has completed an internship of one year in a hospital approved for such training by the same associations, shall be denied admission to the examination in this

state for a regular license, upon payment of the prescribed fee. However, the board may deny admission to the examination or refuse to issue a license upon successful passage of the examination upon proof that a person: (a) has been convicted for violating any state or federal narcotic or barbiturate law, (b) has had his license suspended or revoked in some other state, (c) has been convicted of a felony, (d) is emotionally unstable, (e) has been adjudged to be of unsound mind, (f) has violated KRS 311.585, or (g) has engaged in any acts or conduct that would constitute grounds for suspension or revocation of a license under KRS 311.550 to 311.620.

(3) No person shall be eligible for a limited license unless (a) at least *eighteen* [twenty-one] years of age, (b) of good moral character, (c) a citizen of the United States, or has filed with a United States District Court "first papers" for United States citizenship, (d) actually residing in Kentucky at the time of making application or expressing in writing an intention to become an actual resident of this state after issuance of the limited license, (e) has been graduated from an accredited high school or its equivalent, and completed a premedical course of instruction of at least two years in an accredited college or university and has satisfactorily completed and been graduated from a four-year course of instruction in a medical school approved by the board for limited licenses, and (f) possesses all the other qualifications and education that may be prescribed by rules and regulations of the board.

(4) Except as provided by subsection (2) (g) of KRS 311.565 no license shall be issued except upon the successful passage of an examination as prescribed by the board. All applicants for a regular license must take the same general examination, and in addition, osteopathic applicants shall take an examination in osteopathic principles and practice.

(5) No person shall be deemed to have successfully passed an examination in this state unless he makes an average grade of at least seventy-five in all subjects prescribed by the board, and a grade of at least sixty-five in each subject.

(6) All examination papers shall be preserved for one year.

(7) No license shall be issued, refused, suspended or re-

voked by the board, nor shall any licensee be placed on probation, except in compliance with KRS 311.550 to 311.620 and the rules and regulations promulgated thereunder by the board and filed with the Secretary of State of this Commonwealth pursuant to KRS Chapter 13.

Section 6. Section 313.040 of the Kentucky Revised Statutes is amended to read as follows:

(1) An applicant for a license to practice dentistry shall be of good moral character and at least *eighteen* [twenty-one] years of age at the time of making the application. The application shall be accompanied by evidence satisfactory to the board that the applicant is a graduate of and has a diploma from a reputable dental college, school or department of a reputable university, rated as acceptable by the board. The board shall rate dental colleges, schools or departments of a university, or accept the ratings issued by accredited bodies approved by it. The application shall be made to the board in writing. It shall be accompanied by an examination fee of fifty dollars, payable to the secretary-treasurer.

(2) No person shall file, or attempt to file as his own the diploma or license of another, or a forged affidavit of identification or qualification.

Section 7. Section 313.290 of the Kentucky Revised Statutes is amended to read as follows:

Any person of good moral character over *eighteen* [nineteen] years of age who is a citizen of the United States of America, a graduate of an accredited high school, and has successfully completed two years of training in a school of dental hygiene that is approved by the board, shall be eligible to take the examination for the practice of dental hygiene.

Section 8. Section 315.050 of the Kentucky Revised Statutes is amended to read as follows:

(1) Every applicant for registration as a pharmacist shall be not less than *eighteen* [twenty-one] years of age, a citizen of the United States, of good moral character and temperate habits, a graduate of a school or college of pharmacy or department of

a university recognized and approved by the Kentucky Board of Pharmacy, and shall file proof satisfactory to the Kentucky Board of Pharmacy, substantiated by proper affidavits, of a minimum of one year of experience in a retail pharmacy, under the supervision of a registered pharmacist, which experience shall be predominantly related to the selling of drugs and medical supplies, compounding prescriptions, preparing pharmaceutical preparations and keeping records and making reports required by the state and federal statutes.

(2) After such applicant has passed a satisfactory examination in written, oral and practical work, conducted before the board under regulations prescribed by the board, he shall be entitled to a license as a pharmacist.

Section 9. Section 316.030 of the Kentucky Revised Statutes is amended to read as follows:

An applicant for an embalmer's license must be *eighteen* [twenty-one] years of age and a graduate of an accredited high school, as evidenced by a certificate or diploma from such accredited high school. He shall have completed a course of study of one year in science and art of embalming, disinfection and sanitation in an accredited school of embalming recognized by the board. He shall have served two additional years of apprenticeship under a licensed embalmer and licensed funeral director holding a Kentucky license. The licensed embalmer and funeral director must have an established funeral home in Kentucky.

Section 10. Section 316.090 of the Kentucky Revised Statutes is amended to read as follows:

An applicant for a funeral director's license shall be *eighteen* [twenty-one] years of age, a graduate of an accredited high school, and shall have served three consecutive years' apprenticeship under a licensed embalmer and licensed funeral director who have an established funeral home in Kentucky. He shall devote all of his working hours to this apprenticeship, being paid a regular monthly salary. He shall meet all the requirements of this chapter as it relates to the apprenticeship and registration and examination of an embalmer with the exception of the provisions in KRS 316.030 and KRS 316.040 which relate to the completion of a course of study of one year "in science and art of em-

balming, disinfection and sanitation in an accredited school of embalming recognized by the state board." The one year in embalming school will not be required for an applicant for funeral director's license. He shall serve three consecutive years' apprenticeship.

Section 11. Section 319.050 of the Kentucky Revised Statutes is amended to read as follows:

Before granting a license to practice psychology and to use the title "Psychologist" the board shall require any applicant therefor to pass a written examination in psychology to be given at such time and place and under such supervision as the board prescribes. Such applicant shall pay a fee of not to exceed fifty dollars to the board of examiners at the time of application. The applicant shall satisfy the board that he

(1) is at least *eighteen* [twenty-one] years of age;

(2) is of good moral character;

(3) is a citizen of the United States or has legally declared his intention of becoming one;

(4) has received a degree of Doctor of Philosophy or its equivalent in psychology from an educational institution rated as acceptable as provided in KRS 319.040;

(5) has had at least one year's experience of a type satisfactory to the board in the practice of psychology; and

(6) has not within the preceding six months failed any examination given by the board. The board shall grade the examinations returned by the candidates and shall keep them for at least one year. Any unsuccessful candidate may, upon written request to the board, arrange to discuss his performance on the examination.

Section 12. Section 320.250 of the Kentucky Revised Statutes is amended to read as follows:

(1) Licenses to engage in the practice of optometry shall be issued only to those who qualify therefor under the provisions of KRS 320.260 or 320.270, or who successfully pass examinations conducted under the direction of the board at a time and place

fixed by the board. Each license certificate shall be signed by the president and secretary-treasurer and authenticated by the seal of the board.

(2) Examinations for a license to practice optometry shall be conducted by the board at least twice each year. Applicants for the examination shall furnish to the board, on forms furnished by the board, all required information, and shall receive from the secretary-treasurer due notice of the time and place of the examination.

(3) Examinations may be either oral or written, or both, and on such subjects as may be designated by the board. Applicants making an average grade of seventy-five percent upon all subjects shall be admitted to practice; provided, however, that no applicant shall be admitted to practice who does not make a grade of sixty percent or more upon each subject. Any applicant who makes a grade of less than sixty percent in only one subject may at the next subsequent examination held by the board be re-examined in that one subject, and, if he then makes a grade of not less than seventy-five percent in that particular subject, be admitted to practice.

(4) Every person applying for examination by the board shall present satisfactory proof verified by oath that he is at least *eighteen* [twenty-one] years of age, of good moral character, a citizen of the United States, has graduated from a high school having a four year course, and is a graduate of an accredited optometric college, school or department of a university having a minimum five academic year course and recognized and approved by the board.

(5) The fee for each examination, including each re-examination, for a license to practice optometry shall be twenty-five dollars for resident applicants and seventy-five dollars for non-resident applicants.

(6) No person shall be allowed to take the examination more than three times within the period of any five consecutive years.

Section 13. Section 321.260 of the Kentucky Revised Statutes is amended to read as follows:

(1) Any person not entitled to a license or to a certificate of license under the provisions of KRS 321.210 or 321.220, or any person who hereafter shall wish to practice veterinary medicine in this Commonwealth, before entering upon the practice of veterinary medicine shall first pass an examination as to his qualifications and fitness to engage in such practice. Said examinations shall be conducted by the board. An applicant for such examination shall be a graduate of a veterinary college having standards and requirements equal to the standards and requirements adopted by the American Veterinary Medical Association in 1941. He shall be at least *eighteen* [twenty-one] years of age and shall be of good moral character.

(2) An application to the board for admission to a licensing examination shall be filed with the secretary-treasurer of the board on forms prepared and approved by the board, which forms will be furnished to the applicant by the secretary-treasurer without cost to the applicant. Each applicant must submit with his application proof, satisfactory to the board, that he is a graduate of a veterinary college meeting all of the standards for approval by the American Veterinary Medical Association, as aforesaid; that he is at least *eighteen* [twenty-one] years of age, and of good moral character. Each application shall be accompanied by the payment to the board of an examination fee of twenty-five dollars.

(3) No person hereafter shall be examined by the board unless:

(a) He shall have paid to the board twenty-five dollars in advance, which in no case is returnable, and

(b) He shall have presented to the board satisfactory proof of his qualifications to be admitted to the examination, as provided in this chapter.

(4) Each person who successfully passes an examination before the board shall receive a certificate of license to practice veterinary medicine, which license shall be signed by the chairman and secretary-treasurer of the board, and the seal of the board shall be affixed thereon. The certificate of license shall state that the person to whom it is issued has passed the prescribed examination and is competent to practice veterinary medicine, surgery and dentistry. A copy of such license shall be

recorded by the secretary-treasurer of the board in a book kept for that purpose, which shall be open to public inspection.

Section 14. Section 324.045 of the Kentucky Revised Statutes is amended to read as follows:

(1) Licenses shall be granted only to persons who are trustworthy and competent to transact the business of a real estate broker or salesman in such manner as to safeguard the interest of the public, and only after satisfactory proof of such qualifications has been presented to the commission.

(2) In addition to proof of honesty, truthfulness and good reputation of any applicant for a license, each applicant must pass a written examination conducted by said commission, or its authorized representative, which examination shall be of scope and wording sufficient in the judgment of the commission to establish the competency and trustworthiness of the applicant to act as a real estate broker or salesman in such manner as to protect the interests of the public. Provided, however, no examination shall be required for the renewal of any present or future license unless such license has been revoked, suspended or is allowed to expire without renewal. The commission shall hold examinations at such times and places as it may determine, and an examination fee of twenty-five dollars shall be collected from each applicant to defray the expenses of holding such examinations.

(3) The provisions of subsection (2) requiring applicants to pass a written examination to obtain license shall not apply to real estate brokers or salesmen furnishing satisfactory proof to the commission that they were engaged in the business or occupation of a real estate broker or salesman on January 1, 1956, within the Commonwealth of Kentucky, provided, however, that such real estate brokers and salesmen shall, on or before July 1, 1956, make application to the Kentucky Real Estate Commission for a real estate broker or salesman's license in accordance with provisions of KRS 324.040 and provided further that each application shall be accompanied by a bond and license fee in accordance with the requirements of KRS 324.060 and 324.070.

(4) Every applicant for a broker's or salesman's license shall be at least *eighteen* [twenty-one] years of age, and shall

have graduated from high school, or in the discretion of the commission, shall produce proof of an education equivalent to that of a high school graduate. Every applicant for a broker's license shall have held a salesman's license for a period of twenty-four months in this state prior to the date of said application, and must have been engaged in the real estate business for such a period of time, and shall apply in writing upon blanks prepared or furnished by the commission. If the applicant can furnish the commission a certificate from a resident college, university, or business school, accredited by appropriately recognized educational association or chartered and licensed in the state of Kentucky, reflecting satisfactory completion of sixty college hours or eighteen months of resident classroom training, then the requirements pertaining to holding a salesman's license for two years shall be reduced to one year and the applicant shall otherwise be eligible to apply for a broker's examination. The requirements for a salesman's license shall not apply to any applicant who formerly held a broker's license in this or any other state nor to any person who has been actively engaged as a builder for a period of three years.

Section 15. Section 325.261 of the Kentucky Revised Statutes is amended to read as follows:

The certificate of "certified public accountant" shall be granted by the board to any person:

(1) Who is a resident of this state or who has a place of business or is employed therein, and

(2) Who has attained the age of *eighteen* [twenty-one] years, and who is of good moral character, and

(3) Who possesses the educational and experience requirements below:

(a) A baccalaureate degree conferred by a college or university recognized by the board with a major or concentration program in accounting or its equivalent, and two years of public accounting experience of a quality satisfactory to the board, including participation in the examination of financial statements for third-party reliance, in the employ of a public accountant as defined in KRS 325.220 or a certified public accountant of any state, or

(b) A masters degree in accounting or business administration conferred by a college or university recognized by the board, with the equivalent of a major or concentration program in accounting at either the graduate or undergraduate level, and one year of public accounting experience of a quality satisfactory to the board, including participation in the examination of financial statements for third party reliance, in the employ of a public accountant as defined in KRS 325.220 or a certified public accountant of any state, or

(c) A baccalaureate degree conferred by a college or university recognized by the board, and three years of public accounting experience of a quality satisfactory to the board, including participation in the examination of financial statements for a third party reliance, in the employ of a public accountant as defined in KRS 325.220 or a certified public accountant of any state, or

(d) Until six years after July 1, 1968, a graduate of a high school and six years of public accounting experience of a quality satisfactory to the board, including the participation in the examination of financial statements for third party reliance, in the employ of a public accountant as defined in KRS 325.220, or a certified public accountant of any state, or

(e) Who holds a permit to practice as a public accountant as defined in KRS 325.220, and

(f) The experience requirement of paragraph (a) or (b) of this subsection may be satisfied by four years experience as a field audit agent in the Internal Revenue Service, of which two years is at the journeyman level (presently GS-11 or its future equivalent) in auditing financial statements and supporting materials of three or more distinct lines of commercial or industrial businesses to determine the reliability and fairness of the financial reporting and compliance with generally accepted accounting principles and applicable laws and government regulations. The board shall be the sole and final judge of the qualification of experience under this section.

(g) The experience requirement of paragraph (c) of this subsection may be satisfied by five years experience as a field audit agent of the Internal Revenue Service, of which three years is at the journeyman level (presently GS-11 or its future equiva-

lent) in auditing financial statements and supporting material of three or more distinct lines of commercial or industrial businesses to determine the reliability and fairness of the financial reporting and compliance with generally accepted accounting principles and applicable laws and government regulations. The board shall be the sole and final judge of the qualification of experience under this section.

(4) Who shall have successfully passed a written examination in accounting and auditing, and in such other related subjects as the board may deem advisable.

(5) Application for a certificate of certified public accountant shall be made on a form prescribed by the board. The board may set a fee for the issuance of a certificate not to exceed twenty-five dollars.

Section 16. Section 326.040 of the Kentucky Revised Statutes is amended to read as follows:

A license as an ophthalmic dispenser shall be issued by the board to any person who pays a fee of twenty-five dollars and submits evidence under oath satisfactory to the board:

(1) That he is more than *eighteen* [twenty-one] years of age and of good moral character;

(2) That he has at least two years of satisfactory training and experience in ophthalmic dispensing under the supervision of an ophthalmic dispenser, physician, osteopath or optometrist, or is a graduate of an accepted school of ophthalmic dispensing;

(3) That he has passed a satisfactory examination in ophthalmic dispensing given by the board.

Section 17. Section 329.030 of the Kentucky Revised Statutes is amended to read as follows:

(1) No person shall administer a detection of deception examination, as set forth in KRS 329.010, or any imitation thereof, without first securing a trainee's license or an examiner's license. Each application for a trainee's license shall be made to the department within ten days of the commencement of the trainee's internship, and said application shall contain such information as may be reasonably required by the department. The depart-

ment shall issue the trainee license free of charge. Each application for an examiner's license shall be made to the department in writing on forms provided by the department and shall contain such information as is required by the department to determine the eligibility of the applicant. Each application for an examiner's license shall be accompanied by a fee of twenty dollars, which is non-refundable.

(2) Each applicant for an examiner's license shall submit his fingerprints to the department together with a sworn affidavit that said applicant:

(a) Is a citizen of the United States;

(b) Is at least *eighteen* [twenty-one] years of age;

(c) Has administered detection of deception examinations for a period of at least two years using the instrumentation prescribed in KRS 329.020;

(d) Has completed a course of formal training in detection of deception in an institution accepted by the department; and

(e) Has not been convicted of a misdemeanor involving moral turpitude or a felony, or who has not been released or discharged under other than honorable conditions from any of the Armed Services of the United States, or any branch of the state, city or federal government.

(3) Upon receipt of an application for a trainee's license or for an examiner's license, the commissioner shall investigate each application, and no license will be issued until said investigation is complete.

Section 18. Section 330.070 of the Kentucky Revised Statutes is amended to read as follows:

(1) In addition to the other qualifications provided for by this chapter, every applicant for an auctioneer's license shall be at least *eighteen* [twenty-one] years of age and be a citizen of the United States. In addition an applicant shall have served a bona fide apprenticeship for a period of one year as an apprentice auctioneer in Kentucky. Every application for a license, whether as an auctioneer or apprentice auctioneer, shall be submitted on forms prepared by the board.

(2) Every applicant for an apprentice auctioneer's license shall be a citizen of the United States and at least eighteen years of age. In addition to other requirements imposed by this chapter, the applicant shall furnish pertinent background data as outlined on the application forms furnished by the board.

(3) The issuance fee for each auctioneer's and apprentice auctioneer's license shall be fifteen dollars and the annual renewal fee for each license shall be fifteen dollars. All licenses shall expire on June 30 of each year. In the absence of any reason or condition which might warrant the refusal of the renewing of the license, and upon receipt of the written request of the applicant and the annual fee therefor, the board shall issue a new license for each ensuing year.

(4) The board shall prepare and deliver to each licensee a license certificate and pocket card. The certificate shall be displayed conspicuously at all times in the office of the licensee. The certificate and pocket card of the apprentice auctioneer shall contain the name and address of the auctioneer under whose supervision he is employed.

(5) When any apprentice auctioneer is discharged or terminates his employment with the auctioneer for any reason, it shall be the immediate duty of the auctioneer to deliver or mail by registered mail to the board the license of the apprentice auctioneer. It shall be unlawful for any apprentice auctioneer to perform any of the acts contemplated by this chapter, either directly or indirectly, under authority of his license, until the apprentice auctioneer receives a new license bearing the name and address of his new employer. No more than one license shall be issued to any apprentice auctioneer for the same period of time.

(6) Notice in writing shall be given to the board by each licensee of any change of principal business location, whereupon the board shall issue a new license for the unexpired period. A change of business location without notification to the board shall automatically cancel the license previously issued. Changing a business location and issuance of a new license shall entitle the board to collect three dollars.

SB 295, AN ACT relating to alcoholic beverages.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Section 243.250 of the Kentucky Revised Statutes is amended to read as follows:

A distilled spirits and wine retail drink license shall authorize the licensee to purchase, receive, possess and sell distilled spirits and wine at retail by the drink for consumption on the licensed premises. Such a licensee shall purchase distilled spirits and wine only from licensed wholesalers and unless he also holds a retail package license he shall not buy or possess distilled spirits in containers of a capacity smaller than twenty ounces, but *wine may be bought in containers not smaller than six ounces if the wine does not exceed fourteen percent alcohol by volume and the retail drink license is held by a restaurant or private club which receives a minimum of forty percent of its income from the sale of food and has a minimum seating capacity of fifty people at tables, and* mixed drinks may be bought in containers of a capacity not smaller than twelve ounces, if the mixed drinks contain a substantial proportion of carbonated water. A retail drink license shall not authorize the sale of distilled spirits or wine by the package.

Section 2. Section 244.310 of the Kentucky Revised Statutes is amended to read as follows:

(1) No licensee for sale of distilled spirits and wine by the drink, other than a railroad system licensee, shall keep upon the licensed premises any distilled spirits or wine in any container except in the original package containing quantities of not exceeding one quart each of distilled spirits or fifty-five gallons each of wine, and containing not less than twenty ounces each *of distilled spirits, and not less than six ounces each of wine not exceeding fourteen percent alcohol by volume,* as received from the wholesaler, *if the retail drink license is held by a restaurant or private club which receives a minimum of forty percent of its income from the sale of food and has a minimum seating capacity of fifty people at tables,* except mixed drinks which contain a substantial proportion of carbonated water and which are sold by entire bottles containing not less than twelve ounces. If the

licensee also holds a retail package license, the containers may contain as little as eight ounces of distilled spirits and six ounces of wine.

(2) Each container shall have affixed to it such labels as may be required by the regulations of the board, together with all required Federal revenue and state excise tax stamps.

SB 388, AN ACT relating to thoroughbred racing.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. A new section of KRS 230.210 to 230.360 is created to read as follows:

It is the policy of the Commonwealth of Kentucky, in furtherance of its responsibility to foster and to encourage legitimate occupations and industries in the Commonwealth and to promote and to conserve the public health, safety, and welfare, and it is hereby declared the intent of the Commonwealth to foster and to encourage the thoroughbred horse breeding industry within the Commonwealth and to encourage the improvement of the breed of thoroughbred horses. Further, it is the policy and intent of the Commonwealth to foster and to encourage the business of legitimate thoroughbred racing with pari-mutuel wagering thereon in the Commonwealth on the highest possible plane. Further, it hereby is declared the policy and intent of the Commonwealth that all thoroughbred racing not licensed under this chapter is a public nuisance and may be enjoined as such. Further, it is hereby declared the policy and intent of the Commonwealth that the conduct of thoroughbred racing, or the participation in any way in thoroughbred racing, or the entrance to or presence where thoroughbred racing is conducted, is a privilege and not a personal right; and that this privilege may be granted or denied by the commission or its duly approved representatives acting in its behalf.

It is hereby declared the purpose and intent of this chapter in the interest of the public health, safety, and welfare, to vest in the commission forceful control of thoroughbred racing in the Commonwealth with plenary power to prescribe rules and regulations and conditions under which all legitimate thoroughbred racing and wagering thereon is conducted in the Common-

wealth so as to encourage the improvement of the breed of thoroughbreds in the Commonwealth, to regulate and maintain thoroughbred racing in the Commonwealth of the highest quality and free of any corrupt, incompetent, dishonest, or unprincipled thoroughbred racing practices, and to regulate and maintain thoroughbred racing in the Commonwealth so as to dissipate any cloud of association with the undesirable and maintain the appearance as well as the fact of complete honesty and integrity of thoroughbred racing in the Commonwealth. In addition to the general powers and duties vested in the commission by this chapter, it is the intent hereby to vest in the commission the power to eject or exclude from association grounds or any part thereof any persons, licensed or unlicensed, whose conduct or reputation is such that his presence on association grounds may, in the opinion of the commission, reflect on the honesty and integrity of thoroughbred racing or interfere with the orderly conduct of thoroughbred racing. The power of the commission to penalize persons for violations of this chapter or any rule or regulation of the commission shall be limited to denial of, suspension of, revocation of, or voidance of a license to conduct or participate in thoroughbred racing, and ejection and exclusion of persons from association grounds.

Section 2. Section 230.220 of the Kentucky Revised Statutes is hereby amended to read as follows:

(1) There is hereby created the Kentucky State Racing Commission which shall be an independent agency of state government. The commission shall consist of five members all of whom shall be appointed by the Governor. Not less than three of the members shall be breeders [and raisers] of thoroughbred *horses* [stock] in Kentucky, and no two of the members shall be directors of the same racing association. *The Governor shall appoint in January of 1971, two members for terms to expire on February 1, 1974, and shall appoint in January of 1972 three members for terms to expire on February 1, 1976; upon the expiration of the term of any member, the Governor shall appoint a successor for a term of four years and until his successor is appointed and qualified.* [Commissioners shall be appointed for a term of four years and until their successors are appointed and qualified.] Any vacancy on the commission

shall be filled by the Governor for the unexpired term. Each commissioner shall be eligible for reappointment in the discretion of the Governor. Commissioners shall serve without salaries, but shall be reimbursed for all expenses paid or incurred in the discharge of official business. The commission shall designate one of their number as chairman and another as vice-chairman. Before entering upon the discharge of their duties, each commissioner shall take the constitutional oath of office.

(2) The commission shall establish and maintain a general office for the transaction of its business and may in its discretion establish a branch office or offices. The commission may hold meetings at any of such offices or at any other place when the convenience of the commission requires. All meetings of the commission shall be open and public, and all persons shall be *permitted to attend the meetings.* A majority of the commission shall constitute a quorum for the transaction of its business or exercise of any of its powers.

Section 3. Section 230.260 of the Kentucky Revised Statutes is hereby amended to read as follows:

The commission, in the interest of breeding or the improvement of the breed of thoroughbred horses, shall have all powers necessary and proper to carry out fully and effectually the provisions of KRS 230.210 to 230.360 including, but without limitation, the following:

(1) The commission is vested with [full] jurisdiction and supervision over all thoroughbred race meetings in this *Commonwealth and over all associations and all persons on association grounds and may eject or exclude therefrom or any part thereof any person, licensed or unlicensed, whose conduct or reputation is such that his presence on association grounds may, in the opinion of the commission, reflect on the honesty and integrity of thoroughbred racing or interfere with the orderly conduct of thoroughbred racing; provided, however, no persons shall be excluded or ejected from association grounds solely on the ground of race, color, creed, national origin, ancestry, or sex;* [state and over all persons and associations having to do with the conduct of such meetings;]

(2) The commission, its representatives and employes, may

visit, investigate and have free access to the office, track, facilities or other places of business of any licensee for the purpose of satisfying itself that KRS 230.210 to 230.360 and its rules and regulations are strictly complied with;

(3) The commission shall have full authority to prescribe rules, regulations and conditions under which thoroughbred horse racing shall be conducted in this state and to fix and regulate the minimum amount of purses, stakes or awards to be offered for the conduct of any thoroughbred race meeting;

(4) Applications for licenses shall be made in the form, in the manner and contain information as the commission **may,** by rule, require. Fees for all licenses issued under KRS 230.310 shall be prescribed by and paid to the commission;

(5) Any of the foregoing rules, regulations and conditions may be altered, amended, repealed and published from time to time. All rules, regulations and conditions shall become effective thirty days after the filing thereof with the Legislative Research Commission unless the Governor finds an emergency to exist in which event the same shall become effective immediately upon filing with the Legislative Research Commission. The commission may, but shall not be required to, advertise any of its regulations either before or after filing;

(6) The commission may issue subpoenas for the attendance of witnesses before it and administer oaths to such witnesses whenever, in the judgment of the commission, it is necessary to do so for the effectual discharge of its duties. Any person failing to appear before the commission at the time and place specified in said summons, or refusing to testify, shall be deemed guilty of a misdemeanor and upon conviction by a court of competent jurisdiction shall be punished by a fine of not more than one thousand dollars or by imprisonment for not more than six months, or both. False swearing on the part of any witness shall be deemed perjury and punished as such.

(7) The commission shall have authority to compel any racing association licensed under KRS 230.210 to 230.360 to file with the commission at the end of its fiscal year, a balance sheet, showing assets and liabilities, and an earnings statement, together with a list of its stockholders or other persons holding a beneficial interest in the association.

Section 4. Section 230.290 of the Kentucky Revised Statutes is hereby amended to read as follows:

All licenses granted under KRS 230.210 to 230.360;

(1) Shall be in writing;

(2) Shall be subject to all rules, regulations and conditions as may from time to time be prescribed by the commission;

(3) Shall contain such conditions as may be considered necessary or desirable by the commission for purposes of KRS 230.210 to 230.360; and

(4) No license shall extend beyond the end of the calendar year for which it was issued, *but the commission may renew any license and any such renewal shall not be construed to be a waiver or condonement of any violation which occurred prior to such renewal and shall not prevent subsequent proceedings against the licensee therefor.*

Section 5. Section 230.300 (2) of the Kentucky Revised Statutes is hereby amended to read as follows:

(2) The commission shall as soon as practicable, but in no event later than March 1 in any calendar year award [all] dates for racing in *the Commonwealth* [Kentucky] during the year. *In the event scheduled racing is cancelled by reason of flood, fire, or inclement weather, the commission may award after March 1 additional racing dates to make up for those dates cancelled by such flood, fire, or inclement weather.* The commission may issue such license to conduct a thoroughbred race meeting to any [person who makes] *association making* the aforesaid application *if the commission finds that the proposed conduct of racing by such association would be in the interest of the public health, safety, and welfare of the immediate community as well as to the Commonwealth, and if by reason of financial stability, track location, traffic flow, facilities for the public, facilities for racing participants and horses, character and reputation for honesty of all persons identified with the association, competence of proposed racing officials and association employees, absence of conflict with other race meetings in time and patronage area, sentiment of the community in which such association proposes to conduct a race meeting, and capability to comply with the rules and rulings of the commission, the*

licensing of such association would serve to nurture, promote, develop, or improve the thoroughbred industry in the Commonwealth. [who has complied with the requirements of KRS 230.210 to 230.360 as well as the rules of the commission and where the issuance thereof is in the best interest of racing generally.] As a condition precedent to the issuance of *such* [the] license, the commission may require a surety bond or other surety conditioned upon the payment of all taxes due the Commonwealth, together with the payment of operating expenses including purses and awards to owners of horses participating in races.

Section 6. Section 230.310 of the Kentucky Revised Statutes is hereby amended to read as follows:

Every person not required to be licensed under KRS 230.300 who *desires to* participate [s] in [or has anything to do with] thoroughbred racing *in the Commonwealth as a* [including a] horse owner, *trainer, jockey, apprentice jockey, agent, stable employee, racing official, association employee, or employee of a person or concern contracting with the association to provide a service or commodity and which requires their presence on association grounds during a race meeting, or veterinarian, farrier, horse dentist, or supplier of food, tack, medication, or horse feed, shall first apply to the commission for a license to participate in such activity on association grounds during a race meeting. No person required to be licensed by this section may participate in any activity required to be licensed on association grounds during a race meeting without a valid license therefor. The commission may issue a license if it finds that the financial responsibility, age, experience, reputation, competence, and general fitness of the applicant to perform the activity permitted by a license, are consistent with the best interest of racing and the maintenance of the honesty, integrity, and high quality thereof. Such license shall be issued for the calendar year in which it is issued and may be renewed by the commission. The license shall be valid at all thoroughbred race meetings in the Commonwealth during the period for which it is issued unless suspended or revoked under the rules and regulations prescribed by the commission under this chapter.* [jockey, apprentice, exercise boy, agent, trainer, observer, stable foreman, grom, valet, veterinary, horse shoer, steward, horse owner, owner's stable watchman,

starter or starter's helper, timer, judge, any other person acting as a racing official of any thoroughbred race meeting and every employe of a pari-mutuel department shall be licensed by the commission pursuant to such rules and regulations as the commission may adopt and upon the payment of a license fee fixed and determined by the commission. No person required to be licensed by this section may participate in any capacity in any thoroughbred race meeting without a valid and unrevoked license authorizing such participation. An original license issued under this section shall be issued for the calendar year in which it is issued and shall be renewable annually upon the payment of the fee prescribed for the issuance of an original license of the same kind. The license shall be valid at all thoroughbred race meetings in this state during the period for which it is issued unless it is suspended or revoked prior to the expiration of such period. No qualified person shall be refused a license under this section without just cause, but for just cause the same may be denied and, after issuance, may be suspended or revoked.]

Section 7. Whereas, the authority of racing officials in this state has recently been questioned; and, whereas, a purpose of this Act is to clarify and confirm such authority; and, whereas, recognition of adequate authority of racing officials is essential to effectuate honesty and integrity in racing; and, whereas, thoroughbred racing is now being conducted in this state; an emergency is declared to exist and this Act shall become effective upon its passage and approval by the Governor.

The Committee Amendment to **SB 388** is as follows:

Amend printed copy of Senate Bill 388 on page 3, lines 19 through 27, by:

removing the italicized words and the brackets appearing on those lines.

The Committee on Highways and Traffic Safety reported **SB 80** and **SB 127** with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

SB 80, AN ACT relating to traffic regulation.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Section 189.390 of the Kentucky Revised Statutes is amended to read as follows:

(1) No operator of a vehicle upon a highway shall drive at a greater speed than is reasonable and prudent, having regard for the traffic and for the condition and use of the highway.

(2) Where no condition exists that requires lower speed for compliance with subsection (1) of this section, the speed of any vehicle not in excess of the limits specified in this section or established as hereinafter authorized shall be lawful, but any speed in excess of the limits specified in this section or established as hereinafter authorized shall be unlawful:

(a) For all vehicles other than motor trucks, semitrailer trucks, or motor vehicles of five horsepower or less, thirty-five miles per hour in any business or residential district, sixty miles per hour in other locations during the daytime and fifty miles per hour in other locations during the nighttime;

(b) For motor truck and semitrailer trucks, thirty-five miles per hour in any business or residential district, fifty miles per hour in other locations.

(c) For motor vehicles of five horsepower or less, thirty-five miles per hour in any location.

(3) Whenever the Commissioner of Highways shall determine upon the basis of an engineering and traffic investigation that any speed limit hereinbefore set forth is greater or less than is reasonable or safe under the conditions found to exist at any intersection or upon any part of a state highway within or without the corporate limits of a municipality, said Commissioner of Highways may determine and establish by official order a reasonable and safe speed limit at such location which shall be effective at all times or during hours of daytime or nighttime, or at such other times as may be determined when appropriate signs giving notice thereof are erected at such intersection or part of the state highway. In no event, however, shall said commissioner increase any speed limit established by subsection (2) of this section so as to permit in any instance a speed limit in excess of sixty miles per

hour. *Whenever there is pending an application to the Commissioner of Highways to determine whether a speed limit at or near the location of a school zone shall be changed, the local school board may with the permission of the commissioner and for a period of time set by the commissioner establish, for a period not to exceed nine months, speed limits in accordance with the terms of the application.*

(4) (a) Whenever municipal authorities or the county court of any county containing a city of the first class or second class determine upon the basis of an engineering and traffic investigation that the speed permitted under subsection (2) of this section is greater or less than is reasonable or safe under the conditions found to exist, at any location within the municipality or unincorporated areas of such county, such municipal authority or county court, subject to paragraph (b) of this subsection, shall determine and authorize by ordinance or order a reasonable and safe speed limit at such location which shall be effective at all times or during hours of daytime or nighttime, or at such other times as may be determined when appropriate signs giving notice thereof are appropriately erected at such location. In no event, however, shall said municipal authority or county court increase any speed limit established by subsection (2) of this section so as to permit in any instance a speed limit in excess of sixty miles per hour.

(b) Alteration of speed limits on state highways within a municipality by municipal authorities or within the unincorporated areas of counties containing a city of the first class or second class by county courts thereof shall not be effective until such alteration has been approved by the Commissioner of Highways. In no event shall said commissioner approve any alteration which could increase any speed limit established by subsection (2) of this section so as to permit in any instance a speed limit in excess of sixty miles per hour.

(c) Whenever the county court of any county containing a city of the first class or second class determines upon the basis of an engineering and traffic investigation and study that it is unsafe to park motor vehicles on or along any highway, other than a state highway, within the unincorporated areas of the county, or that in any business district the congestion of traffic justifies a reasonable limitation on the length of time any one motor ve-

hicle [s] is permitted to park in such district so as to reduce such congestion, then the county court may by order establish "no parking" areas on and along said highway, or limit the length of time any motor vehicle may be parked in any business district, which order or orders shall be effective at all times and during hours of daytime or nighttime and at such other times as may be determined when appropriate signs giving notice thereof are erected at such locations.

(d) Notwithstanding the other limitations in this subsection, the Commissioner of Highways may establish, by official order, reasonable and safe speed limits on turnpikes and limited access state highways not to exceed seventy miles per hour.

(5) No person shall drive a motor vehicle at such a slow speed as to impede or block the normal and reasonable movement of traffic except when reduced speed is necessary for safe operation or in compliance with law.

(6) The speed limitations set forth in this section shall not apply to an authorized emergency vehicle when responding to an emergency call, or when responding to but not upon returning from a fire alarm, and the driver thereof sounds audible signal by bell, siren, or exhaust whistle, and when such emergency vehicle is equipped with at least one lighted lamp exhibiting red lights or blue lights visible under normal atmospheric conditions from a distance of five hundred feet to the front of such vehicle. This provision shall not relieve the driver of an authorized emergency vehicle from the duty to drive with due regard for the safety of all persons using the street, nor shall it protect the driver of any such vehicle from the consequences of a reckless disregard of the safety of others.

(7) In every charge for a violation of any speed limit specified in this section or established as herein authorized, the warrant or citation shall specify the speed at which the defendant is alleged to have driven, also the lawful speed limit applicable at the location where the violation is charged to have occurred.

(8) As used in this section, the following words and phrases shall have the meanings respectively ascribed to them:

(a) "Business district," the territory contiguous to and including a highway when within any six hundred feet along such

highway there are buildings in use for business or industrial purposes which occupy three hundred feet of frontage on one side or three hundred feet collectively on both sides of the highway;

(b) "Residential district," the territory contiguous to and including a highway not comprising a business district when the property on such highway for a distance of three hundred feet or more is in the main improved with residences or residences and buildings in use for business;

(c) "State highway," a highway or street maintained by the Department of Highways;

(d) "Nighttime," the period from one-half hour after sunset until one-half hour before sunrise, and at such other periods as atmospheric conditions render visibility as low as or lower than is ordinarily the case during that period; daytime means at any other period.

(9) The signs and notices which the county judge is authorized hereby to have erected shall be paid for by the fiscal court out of the county levy.

SB 127, AN ACT relating to highways.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Subsection (1) of Section 178.010 of the Kentucky Revised Statutes is amended to read as follows:

(1) As used in this chapter, unless the context otherwise requires:

(a) "Construction" includes reconstruction and improvement;

(b) "County roads" are public roads which have been accepted by the fiscal court of the county as a part of the county road system. "County roads" includes necessary bridges, culverts, sluices, drains, ditches, waterways, embankments or retaining walls [; and] . *"County roads" also includes roads or segments of roads which have been eliminated from the State Primary Road System by order of the Commissioner of Highways and transferred to the counties pursuant to KRS 178.030.*

(c) "Hard surface road" means a road the surface of which

is asphalt, brick, stone block, macadam, concrete, gravel or other material of equal merit.

The Committee on Appropriations and Revenue reported **SB 323, SB 386, SB 231** with Committee Amendment attached thereto, and **SB 341** with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

SB 323, AN ACT relating to hospitals in cities of the second through fifth classes.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Section 216.160 of the Kentucky Revised Statutes is amended to read as follows:

(1) On or before the issuance of the bonds the city legislative body shall, by ordinance, set aside and pledge the income of the municipal hospital into a separate and special fund to be used and applied in payment of the cost, maintenance, operation and depreciation of the hospital. The ordinance shall fix the amount of revenue necessary to be set aside and applied to the payment of the principal and interest of the bonds and the proportion of the balance of the income to be set aside as a proper and adequate depreciation account. The remaining portion of the balance shall be set aside for the reasonable and proper operation and maintenance of the hospital. The rates to be charged for the use of the hospital and the services it renders shall be fixed and revised from time to time so as to be sufficient to provide for the payment of interest upon all bonds and to create a sinking fund to pay the principal thereof when it becomes due, to provide for the operation and maintenance of the hospital, and to provide an adequate depreciation account.

(2) The municipality issuing bonds under KRS 216.090 may lease the facility built from the proceeds of said bonds to a hospital district created under KRS 216.310 et. seq. In that event the lease income from a lease agreement between the municipality and the hospital district shall be sufficient to provide for the payment of interest upon the bonds, to create a sinking fund to pay the principal thereof at or prior to maturity, to

accumulate proper reserves, and to pay the costs of operation and insurance; or the lease may provide that the lessee shall pay the cost of insurance.

SB 386, AN ACT relating to school district finances.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Section 160.470 of the Kentucky Revised Statutes is amended to read as follows:

(1) Each district board of education shall prepare a general school budget on forms prescribed and furnished by the State Board of Education, showing the amount of money needed for current expenses, debt service, capital outlay, and other necessary expenses of the schools during the succeeding fiscal year, the estimated total amount that will be received from the common school fund and other sources, the assessed valuation of property subject to local taxation in the school district furnished as provided in subsection (3) of KRS 160.460, an estimate made by the Department of Revenue of public service company assessments and assessments of other property in the school district not furnished under the provisions of subsection (3) of KRS 160.460, and the amount that will be needed to be raised by local taxation, including the rate of levy necessary to raise such an amount.

(2) Notwithstanding any statutory provisions to the contrary, no district board of education shall submit a budget which would require more revenue from local ad valorem taxes than would be produced by application of the preceding year's rate to the preceding year's assessment, exclusive of voted levies and net assessment growth as defined in KRS 132.425, except as provided in subsection (4) of KRS 157.380 and as provided in subsection (4) of this section. In the event of a merger of school districts, the limitations contained in this section shall be based upon the combined revenue of the merging districts, as computed under the provisions of this section.

(3) The Superintendent of Public Instruction shall certify to each district board of education, by June 1 of each year, the maximum permissible local ad valorem tax revenue. This amount shall be computed as follows:

(a) The Superintendent of Public Instruction shall determine the total amount of ad valorem tax revenue which would be produced by application of the preceding year's rate to the preceding year's assessment.

(b) The Superintendent of Public Instruction shall determine the total amount of ad valorem tax revenue which would be produced by application of the preceding year's effective tax rate to the net assessment growth in each school district. The net assessment growth as determined in accordance with KRS 132.425 shall be certified to the Superintendent of Public Instruction by the Department of Revenue by May 20 of each year.

(c) The sum of the amounts computed under (a) and (b) of this subsection shall be the maximum permissible local ad valorem tax revenue for purposes of subsection (2) of this section, except as otherwise therein prescribed.

(4) Notwithstanding the limitations contained in subsection (2) of this section, any district board of education which in preparing its proposed budget deems that it will require an amount of revenue greater than that permitted in subsection (2) may submit to the levying authority for the school years 1966-1967 and 1967-1968 a budget which could require an increase in such revenue of not more than ten percent after compliance with the following:

(a) The district board of education shall give notice of any proposed increase in revenue. Notwithstanding any statutory provisions to the contrary, notice shall be given by causing to be published, at least one time in a newspaper of general circulation published in the county or by posting at the courthouse door if there be no such newspaper, the fact that said increase of not exceeding ten percent is being proposed. Said advertisement shall state that the district board of education will meet at a place and on a day fixed in the advertisement, not earlier than one week and not later than two weeks from the date of the advertisement, for the purpose of hearing comments and complaints regarding the proposed increase and explaining the reasons for such proposal.

(b) The district board of education shall conduct a public hearing at the place and on the date advertised for the purpose

of hearing comments and complaints regarding the proposed increase and explaining the reasons for such proposal.

(5) Three copies of the budget shall be filed with the clerk of the tax levying authority of the district within three days after the district board of education has received its assessment data. The clerk shall present the budget to the proper tax levying authority when the authority convenes to fix its school levy. The failure of the district board of education to furnish the budget within the time prescribed shall not invalidate any levy made thereafter.

(6) Within three days after the tax levying authority has fixed the tax rate, the district board of education shall forward two copies of the budget to the State Board of Education for its approval or disapproval. The budget shall be disapproved if it is financially unsound or fails to provide for (a) payment of maturing principal of and interest on any outstanding voted school improvement bonds of the school district authorized and issued pursuant to KRS 162.080 and 162.090, with the written approval of the State Board of Education, or (b) payment of rentals in connection with any outstanding school building revenue bonds issued for the benefit of the independent school district or county school district, as the case may be, by the appropriate city or county as authorized and provided under the provisions of KRS 162.120 to 162.300, with the written approval of the State Board of Education, or fails to comply with the law; and the State Board of Education shall state its reason, or reasons, for such disapproval. In such event the district board of education shall amend its budget, within the limitations of this section, to obviate the reasons for disapproval.

(7) If the budget as amended specifies a tax levy different from that levied under the disapproved budget, the tax levying authority shall amend its levy in accordance therewith, so that the levy as amended shall comply with the provisions of subsection (1) of KRS 160.460. No general school budget shall become effective until approved by the State Board of Education.

(8) Each district board of education shall, if required by the State Board of Education, prepare and submit to it not later than September 15, a close estimate or working budget which shall conform to the rules and regulations prescribed by the

State Board of Education, and which shall be consistent in its major divisions with the general school budget previously prepared.

(9) Notwithstanding any statutory provisions to the contrary, for the 1970-71 fiscal year and all years subsequent thereto, any district board of education may set a tax rate which will compensate for any loss in revenue resulting from repeal or modification of Public Law 874.

SB 231, AN ACT relating to ad valorem property taxation in school districts.

WHEREAS, House Bill No. 1 enacted at the 1965 Extraordinary Session of the General Assembly amended KRS 160.470, 160.477 and 157.440 so as to limit generally the revenues derived by school districts from ad valorem property taxes to the amounts realized therefrom in 1965, subject to certain additions and exceptions stated in those sections as amended; and

WHEREAS, the revenues thereafter authorized for school districts from property taxation were made dependent largely upon the tax rates actually levied in 1965; and

WHEREAS, the tax rates for general fund purposes levied in a number of school districts in 1965 were less than the $1.50 maximum rate then authorized by KRS 160.475; and

WHEREAS, the special voted tax rates authorized and approved by the voters pursuant to KRS 157.440 and/or 160.477 were levied in 1965 in a number of school districts at less than the maximum rates theretofore approved by the voters of such districts; and

WHEREAS, application of the tax roll-back features of the 1965 legislation in such school districts worked particular hardship on those districts by restricting their potential growth and impeding expansion and building construction programs already planned; and

WHEREAS, it is desirable that those school districts be placed on an equal footing for 1970-1971 and all subsequent years with all other school districts which in 1965 had tax levies at the maximum rates then authorized;

NOW, THEREFORE,

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Section 160.470 of the Kentucky Revised Statutes is amended to read as follows:

(1) Each district board of education shall prepare a general school budget on forms prescribed and furnished by the State Board of Education, showing the amount of money needed for current expenses, debt service, capital outlay, and other necessary expenses of the schools during the succeeding fiscal year, the estimated total amount that will be received from the common school fund and other sources, the assessed valuation of property subject to local taxation in the school district furnished as provided in subsection (3) of KRS 160.460, an estimate made by the Department of Revenue of public service company assessments and assessments of other property in the school district not furnished under the provisions of subsection (3) of KRS 160.460, and the amount that will be needed to be raised by local taxation, including the rate of levy necessary to raise such an amount.

(2) Notwithstanding any statutory provisions to the contrary, no district board of education shall submit a budget which would require more revenue from local ad valorem taxes than would be produced by application of the preceding year's rate to the preceding year's assessment, exclusive of voted levies and net assessment growth as defined in KRS 132.425, except as provided in subsection (3) of KRS 157.380 and as provided in subsection (4) of this section. In the event of a merger of school districts, the limitations contained in this section shall be based upon the combined revenue of the merging districts, as computed under the provisions of this section.

(3) The Superintendent of Public Instruction shall certify to each district board of education, by June 1 of each year, the maximum permissible local ad valorem tax revenue. This amount shall be computed as follows:

(a) The Superintendent of Public Instruction shall determine the total amount of ad valorem tax revenue which would be produced by application of the preceding year's rate to the preceding year's assessment.

(b) The Superintendent of Public Instruction shall determine the total amount of ad valorem tax revenue which would be produced by application of the preceding year's effective tax rate to the net assessment growth in each school district. The net assessment growth as determined in accordance with KRS 132.425 shall be certified to the Superintendent of Public Instruction by the Department of Revenue by May 20 of each year.

(c) *The Superintendent of Public Instruction shall compile a list of those school districts in which the general fund ad valorem tax for the 1965-1966 school year was levied at a rate less than the $1.50 maximum then authorized by KRS 160.475. The Superintendent of Public Instruction shall then calculate for each such district the revenue that would have been produced for the 1965-1966 school year if such tax had been levied at the $1.50 rate. He shall then re-calculate the maximum permissible local ad valorem tax revenue that would have been authorized for each such district for the 1966-1967, 1967-1968, 1968-1969 and 1969-1970 school years as though the 1965-1966 tax had been levied at the $1.50 rate, including in such re-calculation the revenue that would have been derived from taxation of net assessment growth under (b) of this subsection and the revenue that would have been derived from any percentage increases actually adopted by the district under subsection (4) of this section. The maximum permissible local ad valorem tax revenue so re-calculated for the 1969-1970 school year shall, for such districts, be deemed the total amount of ad valorem tax revenue to be determined by the Superintendent for the 1970-1971 school year under (a) of this subsection.*

(d) The sum of the amounts computed under (a) and (b) of this subsection shall be the maximum permissible local ad valorem tax revenue for purposes of subsection (2) of this section, except as otherwise therein prescribed.

(4) Notwithstanding the limitations contained in subsection (2) of this section, any district board of education which in preparing its proposed budget deems that it will require an amount of revenue greater than that permitted in subsection (2) may submit to the levying authority for the school years 1966-1967 and 1967-1968 a budget which could require an increase in such revenue of not more than ten percent after compliance with the following:

(a) The district board of education shall give notice of any proposed increase in revenue. Notwithstanding any statutory provisions to the contrary, notice shall be given by causing to be published, at least one time in a newspaper of general circulation published in the county or by posting at the court-house door if there be no such newspaper, the fact that said increase of not exceeding ten percent is being proposed. Said advertisement shall state that the district board of education will meet at a place and on a day fixed in the advertisement, not earlier than one week and not later than two weeks from the date of the advertisement, for the purpose of hearing comments and complaints regarding the proposed increase and explaining the reasons for such proposal.

(b) The district board of education shall conduct a public hearing at the place and on the date advertised for the purpose of hearing comments and complaints regarding the proposed increase and explaining the reasons for such proposal.

(5) Three copies of the budget shall be filed with the clerk of the tax levying authority of the district within three days after the district board of education has received its assessment data. The clerk shall present the budget to the proper tax levying authority when the authority convenes to fix its school levy. The failure of the district board of education to furnish the budget within the time prescribed shall not invalidate any levy made thereafter.

(6) Within three days after the tax levying authority has fixed the tax rate, the district board of education shall forward two copies of the budget to the State Board of Education for its approval or disapproval. The budget shall be disapproved if it is financially unsound or fails to provide for (a) payment of maturing principal of and interest on any outstanding voted school improvement bonds of the school district authorized and issued pursuant to KRS 162.080 and 162.090, with the written approval of the State Board of Education, or (b) payment of rentals in connection with any outstanding school building revenue bonds issued for the benefit of the independent school district or county school district, as the case may be, by the appropriate city or county as authorized and provided under the provisions of KRS 162.120 to 162.300, with the written approval

of the State Board of Education, or fails to comply with the law, and the State Board of Education shall state its reason, or reasons, for such disapproval. In such event the district board of education shall amend its budget, within the limitations of this section, to obviate the reasons for disapproval.

(7) If the budget as amended specifies a tax levy different from that levied under the disapproved budget, the tax levying authority shall amend its levy in accordance therewith, so that the levy as amended shall comply with the provisions of subsection (1) of KRS 160.460. No general school budget shall become effective until approved by the State Board of Education.

(8) Each district board of education shall, if required by the State Board of Education, prepare and submit to it not later than September 15, a close estimate or working budget which shall conform to the rules and regulations prescribed by the State Board of Education, and which shall be consistent in its major divisions with the general school budget previously prepared.

Section 2. Section 160.477 of the Kentucky Revised Statutes is amended to read as follows:

(1) (a) Upon request of the board of education of any school district, the tax levying authority of the district shall adopt an ordinance or resolution submitting to the qualified voters of the district, the question as to whether a special school building tax rate of not less than five cents nor more than fifty cents as requested by the board shall be levied on each one hundred dollars of property subject to local taxation. This tax levy shall be in addition to the maximum school tax levy provided by subsection (2) of KRS 160.470. The income from the tax shall be used for the purchase or lease of school sites and buildings, for the erection and complete equipping of new school buildings, for the major alteration, enlargement and complete equipping of existing buildings, for the purpose of retiring, directly or through rental payments, school revenue bonds issued for such school building improvements, and for the purpose of financing any program for the acquisition, improvement, or building of schools. The question shall be so framed that the voter may by his vote answer "For" or "Against."

(b) The election shall be held at a time fixed in the ordinance or resolution, not less than fifteen or more than thirty days from the time the request of the board is filed with the tax levying authority, and reasonable notice of the election shall be given. The election shall be conducted and carried out in the school district in all respects as required by the general election laws, and shall be held by the same officers as required by the general election laws. The expense of the election shall be borne by the fiscal court except where the election is held in a district embracing a city of the first five classes, in which case the cost of the election shall be borne by the governing body of the city.

(c) If a majority of those voting on the question favor the special school building tax levy, the tax levying authority shall when the next tax rate for the district is fixed levy the special rate specified by the board of education of the school district for the school building fund in addition to the levy provided by subsection (2) of KRS 160.470.

(2) There may be included, in the maximum levy provided for in subsection (2) of KRS 160.470, a special levy for building fund purposes as authorized by KRS 160.476, which shall be in addition to the levy authorized by vote as provided in subsection (1) of this section.

(3) In addition to or in lieu of this special tax, any board of education may pay into this special fund at the close of any fiscal year the proceeds from the sale of land or property no longer needed for school purposes and allow any balances to remain in the general fund over and above the amount necessary for discharging obligations for the fiscal year in full.

(4) The special fund provided for in subsection (1) of this section shall be kept in a separate account designated as "Special Voted School Building Fund." The fund shall be kept in the depository selected by the district board of education, or invested in bonds of the United States, of this state, or of any county or municipality in this state, provided, however, that such investment shall be approved by the State Board of Education.

(5) All expenditures from such fund shall be made solely for the purposes enumerated in this section and shall be made

in accordance with the school laws of the state at such times as the district board of education determines. The district board of education shall cause to be made annually an audit of the building fund by a certified public accountant or by an accountant approved by the State Department of Education.

(6) Notwithstanding the provisions of any other subsection of this section to the contrary, for the 1966 tax year and for all subsequent years no district board of education shall request the levy of a rate under the provisions of this section which exceeds the compensating tax rate as defined in KRS 132.010, except as provided in subsection (7) of this section, and except that a rate which has been approved by the voters under this section but which was not levied by the district board of education in 1965 may be levied after it has been reduced to the compensating tax rate as defined in KRS 132.010[.], *and except that in any school district where the rate levied in 1965 was less than the maximum rate which had been approved by the voters, the compensating tax rate shall be computed and may be levied as though the maximum approved rate had been levied in 1965 and the amount of revenue which would have been produced from such maximum levy had been derived therefrom.*

(7) Notwithstanding the limitations contained in subsection (6) of this section no tax rate shall be set lower than that necessary to provide such funds as are required to meet principal and interest payments on outstanding bonded indebtedness and payments of rentals in connection with any outstanding school revenue bonds issued under the provisions of KRS Chapter 162.

Section 3. Section 157.440 of the Kentucky Revised Statutes is amended to read as follows:

(1) In addition to the local tax effort required by KRS 157.380, for participation in the equalization account of the public school foundation program fund, such districts or any other district may exceed the maximum provided by subsection (2) of KRS 160.470 provided that, upon request of the board, the tax levying authority of the district shall adopt an ordinance or resolution submitting to the qualified voters of the district, in the manner of submitting and voting as prescribed in subsection (1) (b) of KRS 160.477, the question whether a rate which would produce revenues in excess of the maximum provided by sub-

section (2) of KRS 160.470 shall be levied. If a majority of those voting on the question favor the increased rate, the tax levying authority shall, when the next tax rate for the district is fixed, levy the rate requested by the board not to exceed the rate authorized by the voters.

(2) For the 1966 tax year and for all subsequent years the rate levied by the levying authority under the provisions of this section for levies which were approved prior to December 16, 1965, shall be the compensating tax rate as defined in KRS 132.010, except as provided in subsection (3) of this section and except that a rate which has been approved by the voters under this section but which was not levied by the district board of education in 1965 may be levied after it has been reduced to the compensating tax rate as defined in KRS 132.010[.], *and except that in any school district where the rate levied in 1965 was less than the maximum rate which had been approved by the voters, the compensating tax rate shall be computed and may be levied as though the maximum approved rate had been levied in 1965 and the amount of revenue which would have been produced from such maximum levy had been derived therefrom.*

(3) Notwithstanding the limitations contained in subsection (2) of this section no tax rate shall be set lower than that necessary to provide such funds as are required to meet principal and interest payments on outstanding bonded indebtedness and payments of rentals in connection with any outstanding school revenue bonds issued under the provisions of KRS Chapter 162.

(4) The Superintendent of Public Instruction shall certify the compensating tax rate to the levying authorities.

The Committee Amendment to **SB 231** is as follows:

Amend printed copy of Senate Bill 231 on page 4, following line 23 by inserting the following:

(e) Any school district which is not contemplating capital construction and which is eligible for the increase allowed in subsection (c) of this section may elect to take advantage of the increase in equal stages over a period of three years.

SB 341, AN ACT providing for appropriations to the Department of Insurance.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Notwithstanding any other appropriation provisions, to effectuate and carry out the duties imposed upon the Department of Insurance by the revision of the Insurance Code, there is appropriated to the Department of Insurance out of the General Fund during the 1970-1971 and 1971-1972 fiscal years the following sums:

1970-1971 ..... $220,000.00
1971-1972 ..... $250,000.00

The Committee on State Government reported **SB 188, SB 221, SB 222, SB 257** and **SB 319** with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

SB 188, AN ACT relating to the Kentucky Employes and County Employes Retirement Systems.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Section 78.690 of the Kentucky Revised Statutes is amended to read as follows:

Any member with the minimum service credit prescribed in KRS 78.608, may retire at any time before his normal retirement date on account of disability upon written notification to the board, made by the member, setting forth at what time the retirement is to become effective. Such effective date shall be after his last day of employment. Upon the examination by a licensed physician or physicians it must be determined that the member, since his last day of paid employment, has been mentally or physically incapacitated to engage in any occupation for remuneration or profit and that such disability *did not pre-exist at the time of employment and* is a result of bodily injury or disease and that such incapacity is deemed to be permanent.

Section 2. Section 78.700 of the Kentucky Revised Statutes is amended to read as follows:

Upon disability retirement, a member may receive an annual retirement allowance payable monthly during his lifetime which shall be determined in the same manner as for retirement at his normal retirement date with years of service and final compensation being determined as of the date of his disability [but the amount of the retirement allowance so determined shall be reduced to reflect the commencement of benefits prior to his normal retirement date except that the amount of such annual retirement allowance shall not be reduced if the disability occurred in the performance of duty]. The annual retirement allowance *for disability retirement* [of a member with ten or more years of service, at least one of which is current service,] shall not be less than $480.

Section 3. A new section of Chapter 78 of the Kentucky Revised Statutes is created to read as follows:

A person receiving a monthly disability retirement allowance under KRS 78.700 shall be entitled to have his benefits recomputed on July 1, 1970, in accordance with the formulas then in effect, but his annual retirement allowance shall not be decreased.

Section 4. Section 78.765 of the Kentucky Revised Statutes is amended to read as follows:

(1) A member who is receiving monthly retirement payments under any of the provisions of KRS 78.510 to 78.880 and who is reemployed *as an employe* by a participating agency, shall have his retirement payments suspended for the duration of such reemployment. *Monthly payments shall not be suspended for a retired member who is re-employed in a seasonal, emergency, temporary or part-time position if he anticipates that he will receive less than $1,500 in compensation as a result of re-employment during the calendar year.* The payments shall be suspended at the beginning of the month in which the reemployment occurs.

(2) Employer and employe contributions shall not be made on the compensation paid during such reemployment and the member shall not be credited with additional service credit.

(3) In the month following the termination of reemployment, retirement allowance payments shall be reinstated under the plan the member was receiving payments prior to reemployment.

(4) Notwithstanding the provisions of this section, the payments suspended in accordance with subsection (1) of this section shall be paid retroactively to the retired member who receives less than $1500 in compensation from participating agencies during any calendar year of reemployment.

(5) A member, or his estate, shall pay to the retirement fund the total amount of payments which are not suspended in accordance with subsection (1) of this section if the member received $1,500 or more in compensation from participating agencies during any calendar year of re-employment.

Section 5. Section 61.600 of the Kentucky Revised Statutes is amended to read as follows:

Any member with the minimum service credit prescribed in KRS 61.559, may retire at any time before his normal retirement date on account of disability upon written notification to the board, made by the member, setting forth at what time the retirement is to become effective. Such effective date shall be after his last day of employment. Upon the examination by a licensed physician or physicians it must be determined that the member, since his last day of paid employment, has been mentally or physically incapacitated to engage in any occupation for remuneration or profit and that such disability *did not pre-exist at the time of employment and* is a result of bodily injury or disease and that such incapacity is deemed to be permanent.

Section 6. Section 61.605 of the Kentucky Revised Statutes is amended to read as follows:

Upon disability retirement, a member may receive an annual retirement allowance payable monthly during his lifetime which shall be determined in the same manner as for retirement at his normal retirement date with years of service and final compensation being determined as of the date of his disability [but the amount of the retirement allowance so determined shall be reduced to reflect the commencement of benefits prior to his normal retirement date except that the amount of such annual retirement allowance shall not be reduced if the disability occurred in the performance of duty]. The annual retirement allowance [of a member with ten or more years of service, at least

one of which is current service] *for disability retirement* shall not be less than $480.

Section 7. A new section of Chapter 61 of the Kentucky Revised Statutes is created to read as follows:

A person receiving a monthly disability retirement allowance under KRS 61.605 shall be entitled to have his benefits recomputed on July 1, 1970, in accordance with the formulas then in effect, but his annual retirement allowance shall not be decreased.

Section 8. Section 61.637 of the Kentucky Revised Statutes is amended to read as follows:

(1) A member who is receiving monthly retirement payments under any of the provisions of KRS 61.510 to 61.700 and who is reemployed *as an employe* by a participating agency, shall have his retirement payments suspended for the duration of such reemployment. *Monthly payments shall not be suspended for a retired member who is re-employed in a seasonal, emergency, temporary or part-time position if he anticipates that he will receive less than $1500 in compensation as a result of re-employment during the calendar year.* The payments shall be suspended at the beginning of the month in which the reemployment occurs.

(2) Employer and employe contributions shall not be made on the compensation paid during such reemployment and the member shall not be credited with additional service credit.

(3) In the month following the termination of reemployment, retirement allowance payments shall be reinstated under the plan the member was receiving payments prior to reemployment.

(4) Notwithstanding the provisions of this section, the payments suspended in accordance with subsection (1) of this section shall be paid retroactively to the retired member who receives less than $1500 in compensation from participating agencies during any calendar year of reemployment.

(5) A member, or his estate, shall pay to the retirement fund the total amount of payments which are not suspended in accordance with subsection (1) of this section if the member received $1,500 or more in compensation from participating agencies during any calendar year of re-employment.

SB 221, AN ACT relating to the reorganization and functions of the Kentucky Department of Commerce.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Section 152.020 of the Kentucky Revised Statutes is amended to read as follows:

(1.) There is hereby created an agency of the state government to be known as the Department of Commerce, which shall constitute a department of the state government within the meaning of KRS Chapter 12. The department shall consist of a commissioner, an Economic Development Commission and such administrative bodies and employees as are provided by law.

(2.) The department, subject to the provisions of KRS 12.010 to 12.190, shall be organized into [a division devoted to agricultural development,) a division devoted to industrial development, *a division devoted to research and planning, a division devoted to community services* and such other divisions and sections as are from time to time deemed necessary for the proper and efficient operation of the department.

(3.) The executive officer of the department shall be the Commissioner of the Department of Commerce. He shall be appointed by the Governor and shall serve at the pleasure of the Governor. The commissioner shall have general supervision and direction over all activities and functions of the department and its employees, and shall be responsible for carrying out the programs and policies of the department. He shall be the chief executive officer of the department and, as such, shall have authority to enter into contracts, subject to the approval of the Commissioner of Finance, when such contracts are deemed necessary to implement and carry out the program of the department. He shall reimburse the travel expenses of the commission.

Section 2. Section 152.060 of the Kentucky Revised Statutes is amended to read as follows:

(1.) The department shall prepare and publish as often as is deemed necessary an inventory of the human and natural resources of the Commonwealth; and shall assemble and keep in the offices of the department such information relating to natural resources, *industrial sites,* labor supply, water, fuel, power, *wage rates,* taxation and assessments, transportation and communication facilities and such other information as may be useful in executing the provisions of KRS 152.010 to 152.080. Such information shall be made available to any enterprise which, in the discretion of the commissioner, is legitimate and which contemplates location or operation within the Commonwealth. Such information shall, in the discretion of the commissioner, be made available to any governmental or private agency interested in securing the location or operation of any such legitimate enterprise within the Commonwealth.

(2.) The department shall obtain from enterprises interested in locating and operating within the Commonwealth information relating to the nature of the enterprise, its financial responsibility, manpower requirements, probable consumption of raw materials and such other information as may be useful in securing the location of such enterprise in the Commonwealth, and shall make such information available to any agency interested in securing the location or operation of such enterprises within the Commonwealth.

(3.) *The department shall be the primary economic development agency of the Commonwealth of Kentucky in matters relating to the private sector of the state's economy. The department shall carry out programs relating to industrial and commercial development, research and planning, community services, and other programs designated by the Governor.*

Section 3. Section 152.070 of the Kentucky Revised Statutes is revised to read as follows:

The department shall prepare and publish, or cause to be

prepared and published, maps, *economic and industrial resources surveys of the state and individual communities,* [planning studies,] surveys pertaining to soil conditions, land use [and classification], distribution of population, *adequacy of* educational facilities, [parks and playgrounds,] *adequacy of highway,* [highways,] rail, air and water transportation, [traffic,] water supply, drainage, flood control, sewerage, [building and housing conditions, urban development and redevelopment, subdivision control, planning and zoning,] *directories of manufacturers, exporters, industrial services and research facilities, natural resources surveys as related to industrial and commercial needs, studies of agri-business opportunities, surveys of forestry industries potential, studies of industrial site characteristics, availability and potential needs,* and other matters relating to the physical and economic, *industrial and commercial* development of the Commonwealth.

Section 4. Section 152.080 of the Kentucky Revised Statutes is revised to read as follows:

(1.) Consult with agencies of the state, federal and local government in order to coordinate development *programs and* plans and to articulate agriculture, [and] industry, *and commerce* in the light of the needs of particular localities;

(2.) Make studies of land utilization so as to determine areas suitable [for field crops, for pasture, for reforestation, for watershed protection, for reclamation, for game and fish preserves, for recreation, for parks, and] for industrial and *commercial* [urban] development;

(3.) Make studies *and projections* and publish information relating to the physical, [and] economic, *industrial and commercial* development of the Commonwealth and make appropriate recommendations to the Governor and the General Assembly.

(4.) *Establish and maintain development offices in out-of-state centers of industrial and commercial management.*

(5.) *Place advertising in appropriate media promoting Kentucky's resources and locational advantages for industrial and commercial enterprises.*

Section 5. Sections 154.410, 152.420, 152.430, 152.440, 152.450, 152.460, 152.470, and 152.480 are repealed.

SB 222, AN ACT relating to the Industrial Development Finance Authority.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Section 154.130 of the Kentucky Revised Statutes is amended to read as follows:

Every loan of the authority shall be for such period of time and shall bear interest at such rate as shall be determined by the authority and shall be secured by *promissory note* [bond] of the local development agency and by mortgage on the industrial building or industrial subdivision project for which such loan was made.

Section 2. Section 154.143 of the Kentucky Revised Statutes is amended to read as follows:

(1) The authority may lend money to a local development agency or other applicant *in co-participation with any federal agency* [that qualifies for federal assistance under the federal Area Redevelopment Act (Public Law 87-27).] The limits on the amount the authority may lend under this section are the same as those set out in KRS 154.080 and 154.110; however, the requirements of KRS 154.090 and 154.120 do not apply to loans made under this section.

(2) The authority may require a loan made under this section to be secured; if so, the security may be subordinate to that which secures federal assistance received on the same project.

(3) With respect to loans made under this section the authority shall promulgate reasonable regulations;

(a) Governing the form and content of applications for loans;

(b) Setting the rate of interest and other terms of loans.

SB 257, AN ACT relating to governmental record-keeping.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. A new section of Chapter 65 of the Kentucky Revised Statutes is created to read as follows:

Notwithstanding any provision of law to the contrary, any unit of state, county or municipal government, or any court, may maintain any records by computer or other rapid access data collection system, provided that those records which are public records shall be kept in a manner which will allow the public unlimited any speedy access to them.

SB 319, AN ACT relating to child labor.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Section 339.220 of the Kentucky Revised Statutes is amended to read as follows:

No minor under fourteen years of age shall be employed, permitted or suffered to work in, about or in connection with any gainful occupation at any time, *except for employment in connection with an employment program supervised and sponsored by the school or school district such child attends, which program has been approved by the Department of Education and subject to the regulations of the Commissioner of Labor.*

Section 2. Section 339.230 of the Kentucky Revised Statutes is amended to read as follows:

A minor who has passed his fourteenth birthday but is under *eighteen* [sixteen] years of age may be employed, permitted or suffered to work in, about or in connection with any gainful occupation, except:

(1) *If he is under sixteen years of age,* he may not be employed during regular school hours, unless:

(a) He has been granted a special employment certificate in accordance with the provisions of KRS 339.290 [and then only in such occupations as are authorized in accordance with that section]; or,

(b) The school authorities have made arrangements for him to attend school at other than the regular hours, in which event he may be employed subject to *regulations to the Commissioner of Labor* [KRS 339.260], during such of the regular school hours as he is not required to be in attendance under the arrangement; or,

(c) He has graduated from high school.

(2) *A minor who has passed his fourteenth birthday but is under eighteen years of age,* [He] may not be employed, permitted or suffered to work:

(a) *In any place of employment or at any occupation, that the Commissioner of Labor shall determine to be hazardous or injurious to the life, health, safety or welfare of such minor.* [In, about or in connection with any manufacturing or mechanical establishment.]

(b) *More than the number of days per week, nor more than the number of hours per day that the Commissioner of Labor shall determine to be injurious to the life, health, safety or welfare of such minor. The Commissioner of Labor in promulgating these regulations may make them more restrictive than those promulgated by the U.S. Secretary of Labor under provisions of the Fair Labor Standards Act and its amendments, but in no event may he make them less restrictive.* [On or in connection with any power-driven machinery except under school supervision as provided in KRS 339.430]

(c) *During the hours of the day that the Commissioner of Labor shall determine to be injurious to the life, health, safety or welfare of such minor. The Commission of Labor in promulgating these regulations may make them more restrictive than those promulgated by the U.S. Secretary of Labor under provisions of the Fair Labor Standards Act and its amendments but in no event may he make them less restrictive.* [As a messenger for any person, firm or corporation engaged primarily in the business of transmitting or delivering goods or messages.]

[(d) In the manufacture, transportation, or use of explosives or highly inflammable substances; in or about mines or quarries; in any tunnel or excavation; in logging operations or in any sawmill, lathe mill, shingle mill, or cooperage stock mill; as engineers, firemen, brakemen, or switchmen on any railroad; in the operation of motor vehicles; upon any scaffolding or in heavy construction work; in operating steam boilers carrying a pressure of fifteen pounds or more; in operating or assisting in operating elevators, cranes, derricks, or hoists; in operating or assisting in operating any punch presses or stamping machines, metal or paper cutting machines having a guillotine action, metal shears or plate bending machines, machines used for cold rolling of heavy metal stock, woodworking machines, grinding, abrasive, or polishing machines, laundry or dry cleaning machines, calendar rolls or mixing rolls in paper or rubber manufacturing, dough breakers or dough mixing machines, or machines used for opening picking, or carding of cotton or wool; or in ore reduction works; smelters; hot rolling mills; plant manufacturing iron and steel; foundries, forging shops, and in any other place in which the heating, melting, or heat treatment of metals is carried on; in the manufacture or use of dangerous or poisonous dyes or chemicals and their compounds, or in the manufacture of lead, or in exposure to lead or its compounds; in any occupation involving exposure to radioactive substances; in oiling or cleaning machinery in motion; in stone cutting or polishing; or in assorting, manufacturing or packing tobacco.]

[(e) In, about or in connection with any establishment where alcoholic liquors are distilled, rectified, compounded, brewed, manufactured, bottled, sold for consumption or dispensed (except he may be employed in places where the sale of alcoholic beverages by the package is merely incidental to the main business actually conducted); or in a pool or billiard room.]

[(f) In any place of employment, or at any occupation, that is hazardous or injurious to the life, health, safety or welfare of such minor.]

[(g) In a public bowling alley.]

(3) *The Commissioner of Labor shall promulgate regulations to properly protect the life, health, safety or welfare of minors. He may consider sex, age, premises of employment, substances to be worked with, machinery to be operated, number of hours, hours of the day, nature of the employment and other pertinent factors. The Commissioner of Labor in promulgating these regulations may make them more restrictive than those promulgated by the U. S. Secretary of Labor under provisions of the Fair Labor Standards Act and its amendments but in no event may he make them less restrictive, provided, however, these regulations shall have no effect on the definition of "gainful occupation" under KRS 339.210. To advise the Commissioner with respect to the regulations, the Governor shall appoint a committee of six persons which shall consist of a representative from the Department of Child Welfare, the Department of Economic Security, the Department of Education, the Kentucky Commission on Human Rights, the Department of Personnel, and the Kentucky Commission on Children and Youth. The regulations promulgated in accordance with this section shall be reviewed by such committee at least once each fiscal year.* [A female minor of such age may not be employed in the distribution or sale of newspapers, magazines or periodicals, or in the street occupations of peddling or bootblacking or in any other occupation pursued in any street or public place.]

Section 3. Section 339.290 of the Kentucky Revised Statutes is amended to read as follows:

(1) Employment certificates shall be of *four* [three] kinds; General Employment Certificates, Vacation Employment Certificates, *School-Supervised Employment Certificates,* and Special Employment Certificates. A general employment certificate shall permit the employment of a minor between sixteen and eighteen, or a minor who has completed high school, during the entire year. A vacation employment certificate shall permit the employment of a minor between fourteen and sixteen during school vacations or outside the hours the minor is required to

be in attendance at school. *A school supervised employment certificate shall permit the employment of a minor as provided in KRS 339.220.* A special employment certificate shall permit the employment during the entire year of a minor fourteen or fifteen years of age who has been excused from compulsory school attendance under the provisions of paragraph (c) or (d) of subsection (1) of KRS 159.030. A special employment certificate shall be issued to a minor who has been so excused from compulsory attendance, upon compliance with the same requirements as in the case of a general employment certificate, except that a schooling record shall not be required. [A special employment certificate shall not authorize the employment of a minor in or in connection with or for a factory.]

(2) If on account of mental condition a minor has been exempted from school or recommended by a state guidance clinic or other approved examiner to be placed in an institution for retarded children, the certificating officer shall issue an employment certificate to such minor only when satisfied that the work available and the supervision under which it will be performed are such that the job is suitable and safe for said minor to undertake.

Section 4. Section 339.320 of the Kentucky Revised Statutes is amended to read as follows:

A person designated to issue employment certificates may refuse to grant such a certificate if in his judgment the best interests of the minor would be served by such refusal. *Within ten days after denying such certificate the person designated to issue employment certificates shall set forth in writing his reasons for denial and shall mail a copy to the Department of Labor and the minor.*

Section 5. Section 339.340 of the Kentucky Revised Statutes is amended to read as follows:

The person designated to issue employment certificates shall issue such certificates only upon the application in person of the minor desiring employment, [accompanied in case he is under sixteen years of age by his parent, guardian, or the person having control or custody of him,] and after having approved and filed the following papers:

(1) A promise of employment signed by the prospective employer or by one duly authorized by him, setting forth the specific nature of the occupation in which he intends to employ such minor, and the number of hours per day and days per week which said minor shall be employed.

(2) Evidence of age showing that the minor is of the age required by KRS 339.210 to KRS 339.450. [, which evidence shall consist of one of the following proofs of age and shall be required in the order herein designated, as follows:]

[(a) A duly attested transcript of the birth certificate filed according to law with a register of vital statistics, or other officer charged with the duty of recording births, or;]

[(b) A baptismal certificate or transcript of the record of baptism, duly certified, and showing the date and place of birth, or;]

[(c) Other documentary record of age (other than a school record not based on school census, or an affidavit of age) such as a bible record, school census record, passport or transcript thereof, duly certified; or life insurance policy which shall appear to the satisfaction of the issuing officer to be good and sufficient evidence of age, or;]

[(d) In the case none of the aforesaid proofs of age shall be obtainable, and only in such case, the issuing officer may accept the signed statement of the physician authorized to make the physical examination, stating that, after examination, it is his opinion that the minor has attained the age required by law for the occupation in which he expects to engage. Such statement shall be accompanied by an affidavit, signed by the minor's parent or guardian, certifying to the name, date and place of birth of the minor and that the proofs of age specified in the preceding paragraphs of this subsection cannot be produced.]

(3) A statement of physical fitness, *if the issuing officer has reasonable doubt as to the minor's physical fitness,* signed by a public health or public school physician, or in case there are

no such physicians available, by a private physician who has examined the minor, certifying the medical examination of the minor shows that he is physically fit to be employed at the work he intends to do, or to be employed at such work under limitations specified in the statement. If the statement of physical fitness is limited, the employment certificate issued thereon shall state clearly the limitations upon its use, and shall be valid only when used under the limitations so stated. In any case, where the physician shall deem it advisable, he may issue a certificate of physical fitness for a specified period of time, at the expiration of which the person for whom it was issued shall appear and be reexamined before being permitted to continue to work. Such examination shall be made in accordance with standards and procedures prescribed by the Superintendent of Public Instruction in consultation with the Commissioner of Health and Commissioner of Labor, and shall be recorded on a form furnished by the Department of Education. Where examinations are given by public health or public school physicians, they shall be made without charge to the minor.

(4) A school record signed by the principal of the school which the minor last attended or by someone duly authorized by him, giving the full name, date of birth, grade last completed, scholastic standing and residence of the minor.

Section 6. Section 339.380 of the Kentucky Revised Statutes is amended to read as follows:

School districts may organize part-time schools and any child *under 16* to whom an employment certificate is issued may be required to attend such school.

Section 7. Section 339.240 and 339.260 of the Kentucky Revised Statutes are repealed.

The Committee on Rules reported **HB 523, SB 311, HB 705, HB 649, HB 689, HB 700, SB 274, HR 104, HR 107, HR 108, HR 109, HR 111, HR 112, HR 113, HR 114, HR 115, HR 116,** and **HR 117** have been posted for passage in Orders of the Day, March 17, 1970.

Calendar

SB 252, SB 294, SB 298, SB 305, SB 340, SB 357 and **SR 58** taken from the Calendar and ordered read at length for the second time. Representative McBrayer moved that they be read by title only. Agreed by a majority of members elected. Ordered placed in Orders of the Day.

Report on Enrolled Bills

The Committee on Enrollment reported **HB 204, HB 46** and **HB 303** had been examined and found correctly enrolled. **HB 204, HB 46** and **HB 303** read at length, compared and signed in open session by the Speaker. Ordered delivered to the Senate.

HB 204, HB 46, and **HB 303** delivered to the Senate, signed by the President. Ordered delivered to the Governor.

Motions, Petitions and Communications

Representative Kleier moved the adoption of **HR 111.** Agreed.

HR 111, A RESOLUTION commending the Ancient Order of Hiberians, and proclaiming March 17 as "Hibernian Day."

WHEREAS, the Ancient Order of Hibernians was founded in Ireland in the year 1565 for the stated purposes of the preservation of the freedom of religion, of education, and of self-government; and

WHEREAS, on May 4, 1836 the Ancient Order of Hibernians was founded in the United States of America, after many Irishmen had immigrated to this great land in quest of freedom; and

WHEREAS, on May 11, 1888, in Louisville, Kentucky, native Americans of Irish descent were admitted to the Ancient Order of Hibernians, adhering to a noble belief encompassing such ideals as "friendship", "unity", and "charity" without regard to race or creed, and this belief was practiced in many charitable projects; and

WHEREAS, on May 11, 1966, after a period of dormancy the Ancient Order of Hibernians in America was activated in Louisville, Kentucky under the name of the Father Abram J. Ryan Division; and

WHEREAS, the Father Abram J. Ryan Division of the Ancient Order of Hibernians in America, now based in Jefferson County, Kentucky, annually promotes projects for the raising of funds for the benefit of the Cerebral Palsy School of Louisville, Kentucky;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

Section 1. That it is appropriate that March 17, regularly celebrated as the Day of Saint Patrick, the Bishop of Ireland and the patron of the Ancient Order of Hibernians in America, and a day traditionally celebrated by all Irishmen and their friends, be, and it is, hereby proclaimed "Hibernian Day" in this Commonwealth.

Section 2. That the Father Abram J. Ryan Division of the Ancient Order of Hibernians should be, and it is, hereby commended and encouraged in its efforts in behalf of the Cerebral Palsy School of Louisville, Kentucky.

Section 3. That a copy of this resolution be sent to Reverend Matthew Brennan, 6105 South Third Street, Louisville, Kentucky.

Representative Hughes moved the adoption of **HR 118.** Agreed.

HR 118, A RESOLUTION commending Kentucky's 1970 Junior Miss, and inviting her to be the guest of the House of Representatives.

WHEREAS, Jennifer Sue Kimball is the 1970 Kentucky Junior Miss, through selection over twenty-seven other high school senior girls in the stringent Kentucky Junior Miss competition held on January 10, 1970, in Louisville, Kentucky, after entering as the winner of the Hardin County Junior Miss Pageant sponsored by the Radcliff Jaycees; and

WHEREAS, Jennifer Sue Kimball exemplifies the "Ideal Kentucky High School Senior Girl" by virtue of her numerous activities in the scholastic, sport, social, and religious fields, having set her goals at a high level and now being well along toward achieving those goals; and

WHEREAS, Jennifer Sue Kimball will within the next few weeks depart to compete in the America Junior Miss Pageant and will in excellent fashion represent all those fine qualities for which Kentuckians are known;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

Section 1. That Jennifer Sue Kimball be commended and congratulated upon her achievements and upon her selection as Kentucky Junior Miss for 1970.

Section 2. That Jennifer Sue Kimball be invited to be the guest of the House of Representatives at its session on Wednesday, March 18, 1970.

Section 3. That the Clerk of the House of Representatives be directed to send a copy of this resolution to Jennifer Sue Kimball.

Representative Isler moved the adoption of **HR 113.** Agreed.

HR 113, A RESOLUTION directing the Legislative Research Commission to study and report on all matters pertaining to sex education and sensitivity training in the public schools of Jefferson, McCracken, Fayette and Kenton counties.

WHEREAS, matters pertaining to the teaching of sex education and sensitivity training in the schools of the United States has been and is now a subject of widespread public interest and discussion; and

WHEREAS, as often happens when a matter affecting the education and instruction of our children is widely debated, there is a great diversity of opinion in this state and elsewhere, on the propriety of courses of study on sex education and sensitivity

training in schools and, if undertaken, on the materials and content of the courses of study to be used; and

WHEREAS, it is of paramount importance to us all that legislation in this area, as well as in all other areas affecting the pursuit of knowledge in our schools, be adopted after full development by those competent to do so of the true facts and full information relating to the matter under consideration, so that any legislative action may be founded on the highest principles consistent with the aims toward which education strives in attaining the fullest possible measure of overall well being for our children and maintaining and protecting the legitimate and proper advancement of knowledge;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

Section 1. That the Legislative Research Commission be directed to study and report on all matters pertaining to sex education and sensitivity training courses of study in the public schools of Jefferson, McCracken, Fayette and Kenton counties. The investigation shall cover grades one through twelve, and shall include but not be restricted to a thorough review of sex education and sensitivity training courses and teaching materials.

Section 2. That the Legislative Research Commission be directed to report its findings to the 1972 Regular Session of the General Assembly.

Representative Kidd moved that **HB 46** be named the "Robert F. Hughes Bill". Agreed.

Representative Wells moved the adoption of **HR 114.**

On the roll call the vote was yeas 86—Alexander, Allen, Arnett, Baker, Bartley, Blandford, Bleemel, Blythe, Archie Brown, Edward G. Brown, Hershel Brown, Bruce, Carroll, Carter, Chapman, Clapp, Clarke, Conn, Curlin, James A. Davis, DeMarcus, Deskins, Dorris, Durham, Freeman, Graves, L. T. Hardin, Head, Hinkle, Huff, Hughes, Isler, Keene, Keith, Kenton, Kessinger, Kidd, Kleier, Knuckles, Lewis, Lindsay, Louden, Lovins, McBrayer, McBride, McCann, McGill, McNamara, Massey, May, Mershon, Miller, Mitchell, Nett, Orborne, Parish, Paxton, Peak,

Pollitte, Prather, Priddy, Rattliff, Ray, Reed, Russell Reynolds, T. P. Reynolds, Rickert, Roberts, Ruh, Salyers, Schmidt, Sharpe, Simmons, Stuart, Swinford, Tobin, Van Horn, Wells, Wenz, West, Wheeler, Glenn White, John E. White, Wible, Wright, Yocom. Nays 0.

HR 114 was adopted.

HR 114, A RESOLUTION honoring the employes of the House of Representatives and the Legislative Research Commission.

WHEREAS, this session of the General Assembly started work early in the session; and

WHEREAS, this House of Representatives has already had over eight hundred and fifty bills and resolutions introduced in this session; and

WHEREAS, this number of bills and resolutions has caused an extremely heavy load of work on the employes of this House of Representatives and the Legislative Research Commission; and

WHEREAS, these employes of the House of Representatives and the Legislative Research Commission have labored long and faithfully in order that the work of this House of Representatives might properly function; and

WHEREAS, this House of Representatives is eternally grateful to these employes for this loyalty and dedication;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

That the Speaker of the House instruct James T. Fleming, Director of the Legislative Research Commission, and John W. Greene, Chief Clerk of the House of Representatives, to inform their employes they are invited to a party to be held in the House Chamber and offices on Wednesday evening on adjournment until the members of the House and the guests do decide to adjourn and that the House of Representatives do adjourn no later than 5:00 P.M. on Wednesday, March 18, 1970.

Representative Prather moved that the motion that the vote by which **HB 669** was defeated be reconsidered and said motion be postponed indefinitely be reconsidered.

On the roll call the vote was yeas 56—Alexander, Allen, Arnett, Blandford, Bleemel, Blume, Blythe, Archie Brown, Edward G. Brown, Hershel Brown, Carroll, Chapman, Clapp, Curlin, James A. Davis, Walter Davis, DeMarcus, Deskins, Donnermeyer, Dorris, Durham, Haney, L. T. Hardin, Hinkle, Holloway, Huff, Keene, Keith, Kenton, Kessinger, Kidd, Knuckles, Lindsay, McBrayer, McBride, May, Mershon, Miller, Mitchell, Murphy, Osborne, Prather, Rattliff, Russell Reynolds, T. P. Reynolds, W. J. Reynolds, Ruh, Salyers, Schmidt, Sharpe, Stuart, Tobin, West, Wheeler, John E. White, Wright. Nays 28—Baker, Bruce, Clarke, Conn, Graves, J. Hardin, Head, Hughes, Isler, Kleier, Lewis, Lovins, McCann, Nett, Parish, Paxton, Peak, Ray, Reed, Rickert, Roberts, Simmons, Swinford, Van Horn, Wenz, G. White, Wible, Yocom.

The motion that the motion that the vote by which **HB 669** was defeated be reconsidered and said motion be postponed indefinitely be reconsidered was adopted.

Representative Prather moved that the vote by which **HB 669** was defeated be reconsidered.

On the roll call the vote was yeas 49—Alexander, Allen, Arnett, Blandford, Bleemel, Blume, Blythe, Edward G. Brown, Hershel Brown, Carroll, Carter, Chapman, Clapp, Curlin, Walter Davis, DeMarcus, Deskins, Haney, L. T. Hardin, Hinkle, Holloway, Keene, Keith, Kenton, Kessinger, Kidd, Knuckles, McBrayer, McBride, McKinney, May, Mershon, Miller, Murphy, Prather, Ray, Russell Reynolds, T. P. Reynolds, W. J. Reynolds, Salyers, Schmidt, Sharpe, Stuart, Tobin, Wells, West, Wheeler, John E. White, Wright. Nays 35—Baker, Bartley, A. Brown, Bruce, Clarke, Conn, Dorris, Durham, Graves, J. Hardin, Head, Hughes, Isler, Kleier, Lewis, Lindsay, Lovins, McCann, Nett, Osborne, Parish, Paxton, Peak, Pollitte, Reed, Rickert, Roberts, Ruh, Simmons, Swinford, Van Horn, Wenz, G. White, Wible, Yocom.

The motion that the vote by which **HB 669** was defeated be reconsidered was adopted.

Representative McBrayer moved the adoption of the following Amendment No. 3 to **HB 669:**

Amend printed copy of House Bill 669 on page 3, line 17, by:

deleting the word *"subsection"* and inserting in lieu thereof the word *"section";*

and on page 3, line 17, by inserting before the word *"persons"* the words *"eligibility for appointment to state boards and commissions of";*

and on page 3, line 23, by deleting *"the agency"* and inserting in lieu thereof *"a state agency";*

and on page 3, lines 23 and 24, by striking the words *"licensed officer, employe or".*

Agreed.

Representative J. Hardin moved that Amendment No. 2 to **HB 669** be withdrawn. Agreed.

Representative J. Hardin moved the adoption of the following Amendment No. 3 to **HB 669:**

Amend printed copy of House Bill 669 on page 3, line 14, by:

by changing the comma after the word "granted" to a period; and by striking the words "unless said"; and

by deleting lines 17 through 24 in their entirety.

On the roll call the vote was yeas 45—Baker, Bartley, Archie Brown, Bruce, Carter, Clarke, Conn, Donnermeyer, Dorris, Freeman, Graves, John O. Hardin, Head, Hinkle, Huff, Hughes, Isler, Kessinger, King, Kleier, Lewis, Lindsay, Lovins, McBride, McCann, McGill, McNamara, Nett, Osborne, Parish, Paxton, Peak, Pollitte, Ray, Reed, Rickert, Ruh, Sharpe, Simmons, Swinford, Van Horn, Wenz, Glenn White, Wible, Yocom. Nays 43—Allen, Arnett, Blandford, Bleemel, Blume, Blythe, E. G. Brown, H. Brown, Carroll, Chapman, Clapp, Curlin, J. Davis, W. Davis, DeMarcus, Deskins, Haney, Holloway, Keith, Kidd, Knuckles, McBrayer, McKinney, Massey, May, Mershon, Miller, Prather, Priddy, Rattliff, R. Reynolds, T. Reynolds, W. J. Reynolds, Salyers, Schmidt, Seimens, Stuart, Tobin, Wells, West, Wheeler, J. White, Wyatt.

Amendment No. 3 to **HB 669** was adopted.

Representative J. Hardin moved that the vote by which Amendment No. 3 to **HB 669** was adopted be reconsidered and said motion be postponed indefinitely. Agreed.

Representative J. Hardin moved that Amendment No. 4 be withdrawn. Agreed.

Representative Blume moved that **HB 669** as amended be laid on the Clerk's desk.

Representative J. Hardin moved that **HB 669** as amended be laid on the table. Agreed.

Representative Kidd moved that the House concur in the following Senate amendment to **HB 88:**

Amend printed copy of House Bill 88 on page 7, line 7, by: striking the words *"for agricultural purposes"*

and on line 8, by removing the brackets "[]" from that line.

and asks the concurrence of this honorable body.

Agreed.

On the roll call the vote was yeas 82—Alexander, Allen, Arnett, Bartley, Blandford, Bleemel, Blume, Blythe, Edward G. Brown, Hershel Brown, Carroll, Carter, Chapman, Conn, Walter Davis, Deskins, Donnermeyer, Dorris, Durham, Graves, Haney, John O. Hardin, Head, Hinkle, Holloway, Huff, Hughes, Isler, Keene, Keith, Kenton, Kessinger, Kidd, King, Kleier, Knuckles, Lewis, Lindsay, Louden, Lovins, McBrayer, McBride, McGill, McKinney, McNamara, Massey, May, Mershon, Miller, Mitchell, Nett, Osborne, Parish, Paxton, Peak, Pollitte, Prather, Priddy, Ray, Reed, Russell Reynolds, T. P. Reynolds, W. J. Reynolds, Rickert, Ruh, Salyers, Siemens, Simmons, Stuart, Swinford, Tobin, Van Horn, Wells, Wenz, West, Wheeler, Glenn White, John E. White, Wible, Wright, Wyatt, Yocom. Nays 0.

HB 88 as amended was passed and the title agreed to.

Representative Kidd moved that the vote by which **HB 88** as amended was passed be reconsidered and said motion be postponed indefinitely. Agreed.

Representative Hinkle moved the adoption of **HR 119.** Agreed.

HR 119, A RESOLUTION relating to community colleges.

WHEREAS, public higher education in Kentucky may be generally categorized in three levels of diversification and broadness of curricula; and

WHEREAS, each level is designed to serve separate and distinct educational goals within the whole context of public higher education; and

WHEREAS, the annual tuition fee at the University of Kentucky is $280 for residents and $980 for non-residents; and

WHEREAS, the annual tuition fees at the regional state universities and at Kentucky State College are $240 for residents and $740 for non-residents; and

WHEREAS, the annual tuition fees at the community colleges are the same as those at the University of Kentucky; and

WHEREAS, the educational offerings on the campuses of the state universities are more comprehensive than that offered at the community colleges; and

WHEREAS, it is the avowed purpose of the Community College System to provide higher education opportunities at the local level at the lowest practicable cost; and

WHEREAS, the current tuition level at the community colleges appears inconsistent with that purpose;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the Commonwealth of Kentucky:

That the Council on Public Higher Education is requested to establish the level of tuition at community colleges, not located on the campus of a university, at a rate less than the levels of the universities of the Commonwealth so as to enable the community colleges to more effectively perform their function within the broad area of public higher education.

Representative McGill moved that **HB 610** be taken from the table.

On the roll call the vote was yeas 38—Alexander, Baker, Blandford, Blume, Blythe, Carroll, Carter, Clapp, Clarke, Conn,

Curlin, Walter Davis, DeMarcus, Durham, Holloway, Hughes, Keene, Kidd, Kleier, Knuckles, Lewis, McGill, Miller, Mitchell, Nett, Paxton, Prather, Rattliff, Rickert, Schmidt, Siemens, Stuart, Swinford, Tobin, Wenz, Wible, Wyatt, Yocom. Nays 5—Graves, J. Hardin, Isler, Van Horn, Wright.

The motion that **HB 610** be taken from the table was rejected.

Representative Yocom moved that the Rules be suspended to take **SB 152** from the Committee on Health and Welfare.

On the roll call the vote was yeas 33—Blandford, Carter, Chapman, Clarke, Conn, Deskins, Donnermeyer, Dorris, Freeman, John O. Hardin, Isler, Kenton, King, Kleier, Lovins, McGill, May, Mershon, Murphy, Nett, Priddy, Ray, Ruh, Schmidt, Siemens, Swinford, Tobin, Van Horn, Wheeler, Wible, Wright, Wyatt, Yocom. Nays 6—Hughes, Lewis, Paxton, Peak, Rickert, Roberts.

The motion that the Rules be suspended was rejected.

Orders of the Day

Representative McBrayer moved that consideration of **HB 225, HB 369, HB 474, HB 587, HB 452, HB 625, HB 691, HR 99, HB 639, HB 684** and **HB 555** be deferred and that they retain their position in Orders of the Day. Agreed.

HB 662 taken from Orders of the Day and ordered read at length for the third time. Representative McBrayer moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

On the roll call the vote was yeas 50—Allen, Arnett, Blandford, Carroll, Chapman, Clarke, Conn, Curlin, Dorris, Freeman, Graves, Haney, John O. Hardin, Head, Hinkle, Isler, Kenton, Kidd, Lewis, Lindsay, Louden, Lovins, McBrayer, McBride, McCann, McNamara, May, Mershon, Miller, Mitchell, Nett, Parish, Peak, Prather, Priddy, Ray, Reed, T. P. Reynolds, W. J. Reynolds, Rickert, Roberts, Ruh, Salyers, Siemens, Swinford, Van Horn, Wenz, Wible, Wyatt, Yocom. Nays 25—Alexander, Baker, Bleemel, A. Brown, H. Brown, Carter, Clapp, J. Davis, De-

Marcus, L. Hardin, Holloway, Huff, Keith, Kessinger, King, Osborne, Paxton, Rattliff, Schmidt, Sharpe, Simmons, Stuart, West, Wheeler, J. White.

HB 662 was passed and the title agreed to.

Representative Lewis moved that the vote by which **HB 662** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 692, with Committee Amendment attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative McBrayer moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Stuart moved the adoption of the Committee Amendment to **HB 692.** Agreed.

On the roll call the vote was yeas 77—Alexander, Arnett, Baker, Blandford, Bleemel, Archie Brown, Edward G. Brown, Hershel Brown, Bruce, Carroll, Carter, Chapman, Clapp, Clarke, Conn, James A. Davis, DeMarcus, Deskins, Donnermeyer, Dorris, Durham, Graves, Haney, John O. Hardin, L. T. Hardin, Head, Hinkle, Holloway, Huff, Isler, Keith, Kenton, Kessinger, Kidd, King, Kleier, Lewis, Louden, Lovins, McBrayer, McBride, McCann, McKinney, McNamara, Massey, May, Mershon, Miller, Mitchell, Nett, Parish, Paxton, Peak, Pollitte, Prather, Priddy, Rattliff, Reed, Russell Reynolds, W. J. Reynolds, Ruh, Schmidt, Sharpe, Simmons, Stuart, Swinford, Tobin, Van Horn, Wells, West, Wheeler, Glenn White, John E. White, Wible, Wright, Wyatt, Yocom. Nays 0.

HB 692 as amended was passed and the title agreed to.

Representative Stuart moved that the vote by which **HB 692** as amended was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HR 45, with Committee Amendments attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative McBrayer moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Yocom moved the adoption of Committee Amendment No. 1 to **HR 45.** Agreed.

Representative Yocom moved the adoption of Committee Amendment No. 2 to **HR 45.** Agreed.

On the roll call the vote was yeas 59—Alexander, Baker, Blandford, Bleemel, Blume, Blythe, Chapman, Clarke, Conn, James A. Davis, Deskins, Donnermeyer, Dorris, Freeman, Graves, Haney, Head, Hinkle, Holloway, Hughes, Isler, Keene, Keith, Kenton, Kidd, Kleier, Knuckles, Lewis, Lindsay, Louden, McBrayer, McBride, McCann, McNamara, May, Mershon, Miller, Nett, Osborne, Parish, Paxton, Prather, Priddy, Ray, Reed, Russell Reynolds, Rickert, Roberts, Ruh, Siemens, Stuart, Swinford, Tobin, Van Horn, Wenz, Glenn White, Wible, Wyatt, Yocom. Nays 8—Bartley, A. Brown, DeMarcus, Huff, W. J. Reynolds, Schmidt, Sharpe, Simmons.

HR 45 as amended was passed and the title agreed to.

Representative Yocom moved that the vote by which **HR 45** as amended was passed be reconsidered and said motion be postponed indefinitely. Agreed.

Representative McBrayer moved that consideration of **HB 663, HB 688** and **HB 699** be deferred and that they retain their position in Orders of the Day. Agreed.

HB 148, with Committee Amendment attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative McBrayer moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative J. Hardin moved that the Committee Amendment No. 1 be withdrawn. Agreed.

Representative J. Hardin moved that the Rules be suspended for the introduction of an Amendment No. 2 to **HB 148.** Agreed.

Amendment No. 2 to **HB 148** is as follows:

Amend printed copy of House Bill 148 on page 3, after line two, insert the following:

"Section 9. The effective date of this act shall be January 1, 1971."

Representative J. Hardin moved the adoption of Amendment No. 2 to **HB 148.** Agreed.

On the roll call the vote was yeas 23—Blandford, Archie Brown, Bruce, Carroll, Carter, Conn, Freeman, Graves, John O. Hardin, Isler, Kleier, Lewis, Lindsay, McBride, May, Nett, Paxton Pollitte, Rickert, Swinford, Van Horn, Wible, Wyatt. Nays 42— Alexander, Baker, Bleemel, Blume, Blythe, H. Brown, Chapman, Clapp, Clarke, Curlin, J. Davis, DeMarcus, Dorris, L. Hardin, Holloway, Huff, Hughes, Keene, Keith, Kessinger, King, Knuckles, Lovins, McCann, Massey, Miller, Osborne, Rattliff, Ray, R. Reynolds, Ruh, Schmidt, Sharpe, Simmons, Stuart, Tobin, Wenz, West, Wheeler, G. White, J. White, Wright.

HB 148 as amended was defeated.

Representative Siemens announced he wished to vote "yea" on **HB 692.**

Speaker Pro Tempore Blume presiding.

HB 502 taken from Orders of the Day and ordered read at length for the third time. Representative E. G. Brown moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

On the roll call the vote was yeas 56—Alexander, Allen, Baker, Blandford, Bleemel, Blume, Blythe, Archie Brown, Edward G. Brown, Carter, Chapman, Clapp, Conn, Curlin, James A. Davis, Deskins, Donnermeyer, Dorris, Durham, Haney, Hinkle, Huff, Isler, Keene, Keith, Kleier, Louden, McBrayer, Massey, May, Mershon, Miller, Mitchell, Osborne, Parish, Paxton, Peak, Pollitte, Priddy, Rattliff, Ray, Russell Reynolds, W. J. Reynolds, Rickert, Ruh, Siemens, Simmons, Stuart, Swinford, Tobin, Van Horn, Wells, Wenz, Wheeler, Wible, Wyatt. Nays 3—Bartley, Lovins, Yocom.

HB 502 was passed and the title agreed to.

Representative Miller moved that the vote by which **HB 502** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 447, with Committee Amendments attached thereto, taken from Orders of the Day and ordered read at length for

the third time. Representative E. G. Brown moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Freeman moved the adoption of Committee Amendment No. 1 to **HB 447**. Agreed.

Representative Freeman moved the adoption of Committee Amendment No. 2 to **HB 447**. Agreed.

On the roll call the vote was yeas 73—Alexander, Arnett, Baker, Blandford, Bleemel, Blume, Blythe, Edward G. Brown, Hershel Brown, Carter, Chapman, Clarke, Conn, James A. Davis, Walter Davis, DeMarcus, Donnermeyer, Dorris, Durham, Freeman, Graves, Haney, L. T. Hardin, Head, Hinkle, Huff, Hughes, Isler, Keene, Keith, Kessinger, King, Kleier, Knuckles, Lewis, Lindsay, Louden, Lovins, McBrayer, McBride, May, Mershon, Miller, Mitchell, Nett, Osborne, Parish, Paxton, Peak, Pollitte, Prather, Priddy, Rattliff, Ray, T. P. Reynolds, W. J. Reynolds, Rickert, Ruh, Salyers, Schmidt, Sharpe, Simmons, Swinford, Tobin, Van Horn, Wells, Wenz, West, Wheeler, Glenn White, Wible, Wyatt, Yocom. Nays 1—A. Brown.

HB 447 as amended was passed and the title agreed to.

Representative McBrayer moved that the vote by which **HB 447** as amended was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 650 taken from Orders of the Day and ordered read at length for the third time. Representative E. G. Brown moved that it be read by title only and placed upon its passage.

On the roll call the vote was yeas 79—Alexander, Allen, Arnett, Baker, Bartley, Blandford, Bleemel, Blume, Blythe, Archie Brown, Edward G. Brown, Hershel Brown, Bruce, Carter, Chapman, Clapp, Conn, Curlin, James A. Davis, Walter Davis, DeMarcus, Deskins, Dorris, Durham, Graves, Haney, John O. Hardin, L. T. Hardin, Hinkle, Holloway, Huff, Hughes, Isler, Keene, Keith, Kenton, Kessinger, King, Kleier, Knuckles, Lewis, Lindsay, Louden, Lovins, McBrayer, McBride, McKinney, McNamara, May, Mershon, Mitchell, Nett, Osborne, Paxton, Peak, Prather, Priddy, Rattliff, Ray, Reed, Russell Reynolds, T. P. Reynolds, W. J. Reynolds, Rickert, Ruh, Schmidt, Sharpe, Sim-

mons, Stuart, Swinford, Tobin, Van Horn, Wells, Wenz, West, Wheeler, Wible, Wyatt, Yocom. Nays 0.

HB 650 was passed and the title agreed to.

Representative E. G. Brown moved that the vote by which **HB 650** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 715 taken from Orders of the Day and ordered read at length for the third time. Representative E. G. Brown moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

On the roll call the vote was yeas 55—Alexander, Allen, Arnett, Baker, Blume, Blythe, Archie Brown, Hershel Brown, Chapman, Collins, Conn, Curlin, Donnermeyer, Graves, L. T. Hardin, Head, Hinkle, Holloway, Huff, Hughes, Isler, Keene, Keith, Kenton, Kidd, Kleier, Knuckles, Lindsay, Louden, McCann, Mershon, Murphy, Osborne, Parish, Paxton, Peak, Prather, Priddy, Ray, Russell Reynolds, Rickert, Ruh, Schmidt, Siemens, Simmons, Stuart, Swinford, Tobin, Van Horn, Wenz, West, Wheeler, John E. White, Wible, Wyatt. Nays 14—Bartley, Blandford, Bleemel, Carter, Kessinger, King, Lewis, Lovins, McBrayer, McKinney, May, Mitchell, Roberts, Wright.

HB 715 was passed and the title agreed to.

Representative E. G. Brown moved that the vote by which **HB 715** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

Representative E. G. Brown moved that consideration of **HB 580** and **HB 471** be deferred and that they retain their position in Orders of the Day. Agreed.

HB 729, with Committee Amendment attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative McBrayer moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Lewis moved the adoption of the Committee Amendment to **HB 729.** Agreed.

On the roll call the vote was yeas 81—Alexander, Allen, Baker, Blandford, Bleemel, Blume, Blythe, Archie Brown, Edward G. Brown, Hershel Brown, Carter, Chapman, Clapp, Clarke, Collins, Conn, Curlin, James A. Davis, Deskins, Donnermeyer, Dorris, Graves, Haney, L. T. Hardin, Head, Hinkle, Holloway, Huff, Hughes, Isler, Keene, Keith, Kenton, Kessinger, Kidd, King, Knuckles, Lewis, Lindsay, Louden, Lovins, McBrayer, McBride, McCann, McKinney, McNamara, Massey, May, Mershon, Mitchell, Murphy, Nett, Osborne, Parish, Paxton, Peak, Pollitte, Prather, Priddy, Rattliff, Russell Reynolds, T. P. Reynolds, Rickert, Roberts, Ruh, Salyers, Siemens, Simmons, Stuart, Swinford, Tobin, Van Horn, Wells, Wenz, West, Wheeler, John E. White, Wible, Wright, Wyatt, Yocom. Nays 2—Arnett, Bartley.

HB 729 as amended was passed and the title agreed to.

Representative E. G. Brown moved that the vote by which **HB 729** as amended was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 619 taken from Orders of the Day and ordered read at length for the third time. Representative McBrayer moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Clarke moved the adoption of the following Amendment to **HB 619:**

Amend printed copy of House Bill 619 on page 1, line 3, by: placing a bracket at the beginning of line 3; and on page 2, line 10, by placing a bracket at the end of line 10 and by deleting all brackets and italicized words in the text beginning on page 1, line 3, and ending on page 2, line 10;

and by inserting beginning on page 1, line 3, the following:

"(5) (a) A divorce may be granted to a spouse when the other spouse suffers from a mental condition which permanently prevents the fulfillment of the marital relationship. If the court finds from the testimony of two or more physicians competent in psychiatry that the spouse from whom the divorce is sought has such a mental condition and that it has existed for an aggregate period of at least 3 years, the court shall grant a divorce on this ground."

Agreed.

On the roll call the vote was yeas 33–Baker, Blume, Blythe, Bruce, Carter, Chapman, Clarke, Conn, Curlin, Durham, Graves, John O. Hardin, Keene, Kessinger, King, Kleier, Lewis, Lindsay, McBrayer, McBride, McCann, May, Mitchell, Paxton, Rattliff, Ray, Reed, T. P. Reynolds, W. J. Reynolds, Swinford, Wible, Wyatt, Yocom. Nays 47–Alexander, Allen, Arnett, Bartley, Blandford, Bleemel, A. Brown, H. Brown, Clapp, Collins, J. Davis, W. Davis, DeMarcus, Donnermeyer, Dorris, L. Hardin, Hinkle, Holloway, Huff, Hughes, Isler, Keith, Kenton, Kidd, Knuckles, Lovins, McKinney, McNamara, Mershon, Murphy, Osborne, Parish, Peak, Prather, Rickert, Roberts, Ruh, Salyers, Sharpe, Simmons, Stuart, Tobin, Van Horn, Wenz, West, Wheeler, Wright.

HB 619 as amended was defeated.

Representative McBrayer moved that consideration of **HB 558** be deferred and that it retain its position in Orders of the Day. Agreed.

Report on Enrolled Bills

The Committee on Enrollment reported **HB 88** had been examined and found correctly enrolled. **HB 88** read at length, compared and signed in open session by the Speaker. Ordered delivered to the Senate.

HB 88 delivered to the Senate, signed by President. Ordered delivered to the Governor.

Recess

Representative McBrayer moved that the House recess for thirty minutes for Committee meetings. Agreed.

At the appointed hour, the Speaker resumed the Chair and called the House to order.

Report of Committees

The Committee on Labor and Industry reported **SB 211** with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

SB 211, AN ACT relating to workmen's compensation.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Section 342.305 of the Kentucky Revised Statutes is amended to read as follows:

Any party in interest may file in the circuit court of the county in which the injury occurred a certified copy of a memorandum of agreement approved by the board or of an order or decision of the board, or of an award of the board unappealed from, or of an award of the board rendered upon an appeal, *whether or not there is a motion to re-open or review pending under KRS 342.125.* The court shall render judgment in accordance therewith and notify the parties. Such judgment shall have the same effect, and all proceedings in relation thereto shall thereafter be the same as though it had been rendered in a suit duly heard and determined by that court. Any such judgment, unappealed from or affirmed on appeal or modified in obedience to the mandate of the Court of Appeals shall be modified to conform to any decision of the board ending, diminishing or increasing any weekly payment under the provisions of KRS 342.125 upon a presentation to it of a certified copy of such decision.

The Committee on Appropriations and Revenue reported **SB 117** with Committee Substitute attached thereto, **SB 195** and **SB 359** with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

SB 117, AN ACT relating to public higher education.

WHEREAS, in recognition of the needs of the Commonwealth of Kentucky for a state supported institution of higher learning in the Louisville Metropolitan area, the House of Representatives in 1966 did request a study of the advisability and feasibility of placing the University of Louisville (for convenience of reference sometimes hereinafter called the "University") in the state system of public higher education; thereafter obtaining a report recommending, inter alia, that such action be taken; and

WHEREAS, in acting on this recommendation, the General

Assembly did strengthen the state-supported system of public higher education by the passage of a certain Joint Resolution identified as Chapter 239 of the 1968 Kentucky Acts at the 1968 Regular Session (for convenience of reference sometimes hereinafter called the "1968 Legislation"); bringing into the system the oldest municipal university in America; and

WHEREAS, in response to the 1968 Legislation and the enactment of the 1968-1970 budget bill increasing the appropriation to the University, the basic tuition charges were reduced and the tuition differentials between residents of Jefferson County and those from other counties were eliminated, thus reducing the charges for residents from one hundred and nineteen counties in the Commonwealth by nearly one-half (while at the same time continuing a substantially higher rate for students from other states) thus bringing an extensive complex of urban higher learning facilities within the financial reach of many more Kentucky people; and

WHEREAS, pursuant to other provisions of the 1968 Legislation, the University has been participating in the work of the Council on Public Higher Education and has submitted its budget requests to that body for review and thus for these purposes has been considered a state institution since July 1, 1969; and

WHEREAS, the necessary basic steps having been taken, it is the opinion and judgment of the General Assembly that the authority of the 1968 Legislation for the University to continue the programs it now offers, both undergraduate and postgraduate, and the limitations on that authority, should be restated as part of the general statutes governing higher education in the Commonwealth;

NOW, THEREFORE,

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. A new section of Chapter 164 of the Kentucky Revised Statutes is created to read as follows:

(1) As used in this Act, the following terms shall have, unless the context shall otherwise indicate, the following meanings:

(a) "1968 Legislation" means that certain Joint Resolution of the General Assembly of the Commonwealth of Kentucky identified as Chapter 239 of the 1968 Kentucky Acts;

(b) "University of Louisville" means the university which is situated in a city of the first class, and which has heretofore constituted a municipal university within the meaning and application of KRS 165.020, et seq;

(c) "Council" means the Council on Public Higher Education in Kentucky.

(2) Consistent with the provisions of the 1968 Legislation, it is hereby recognized and confirmed:

(a) that for purposes of participation in the work of the Council and submission of budget requests, the University of Louisville has been considered to be a state institution as of, and continuously since, July 1, 1969.

(b) that "the University of Louisville shall be maintained as a state institution with such incomes, buildings and equipment as will enable it to continue to do work such as it now does, both undergraduate and postgraduate, and embracing the work of instruction as well as research," subject to the approval authority of the Council on Public Higher Education with respect to new programs, and

(c) that the University of Louisville shall be a state institution for all purposes, effective July 1, 1970, subject to its qualification to receive the benefits of such status as a state institution in the manner set forth in subsection (3).

(d) Nothing contained in this Act is intended to add to the program authority granted to the University by Chapter 239 of the 1968 Kentucky Acts.

(3) The University of Louisville, having been chartered by Chapter 137, Acts of 1845-6, approved February 7, 1846, effective in accordance with its terms on March 15, 1846; having become subject to the laws of the Commonwealth generally applicable to corporations of the same category according to the import of subsection Seventeenth of Section 59 of the present Constitution of the Commonwealth; and having duly filed in the office of the Secretary of State its acceptance of the present Constitution of the Commonwealth, in accordance with Sec-

tion 190 thereof; may qualify to receive the benefits of its status as a state institution, as provided in this Act, by action of its board of trustees in adopting and causing to be filed for public record such proceedings as are required by law, amending its charter of articles of incorporation in such manner as to conform to the provisions of this Act.

Section 2. A new section of Chapter 164 of the Kentucky Revised Statutes is created to read as follows:

(1) In recognition of the fact that appointments of trustees of the University of Louisville have since the original appointments been made by elected officials of a political subdivision of the Commonwealth of Kentucky, which officials are always subject to the sovereign will of the Commonwealth, proceedings taken by the University of Louisville through action of its board of trustees, in qualifying to receive the benefits of its status as a state institution, as provided in subsection (3) of Section 1 of this Act, shall likewise qualify the board of trustees of the University of Louisville in office on the effective date of this Act as a state board and the trustees shall continue in office and shall constitute the governing board of the University for the purpose of operating the University as a part of the state system of higher education subject to the additions and limitations prescribed in this Act. To the ten memberships on the board on the effective date of this Act shall be added three ex officio memberships: The Governor who shall serve as chairman, the Superintendent of Public Instruction, the Commissioner of Commerce; two lay members who shall be appointed by the Governor for terms that shall expire on March 1, 1972; two members of the teaching faculty of the University of Louisville, one of whom shall be the chief executive of the ranking unit of faculty government, the other to be elected by the faculty for a term not exceeding four years, and in accordance with rules prescribed by the board; and the president of the student body. However, if the student body president is not a legal resident of Kentucky, then a member of the student body of the University who is a legal resident of Kentucky shall be elected by the student body for a term of one year under rules prescribed by the board. The faculty members and student body member shall cease to be eligible for membership on the board of trustees

upon termination of their respective relationships with the University, and vacancies occurring by reason of such termination shall be filled for the remainder of the respective terms in the same manner. Voting rights of the faculty and student representation and quorum requirements for the board shall be those fixed by Chapter 164 of the Kentucky Revised Statutes.

(2) To facilitate transition in an orderly manner to its status as a state institution, there shall be a transition period ending March 1, 1974. Terms of members of the board in office on the effective date of this Act shall be reduced so that all shall be terminated by March 1, 1974, on an annual schedule in a sequence generally parallel to that in which the original appointments were to have expired.

(3) During the transition period the terms of existing members shall expire and their successors shall be appointed by the Governor according to the following schedule:

(a) Of the two terms begun in March, 1970, one shall expire in March, 1971, the other in March, 1973. The successors shall be designated by the mayor of the city of the first class for appointment by the Governor;

(b) The two terms which would have expired in March, 1972, shall expire in March, 1971 and shall be filled for four year terms, of which one appointment shall be made from the state at large, and one to be an alumnus or alumna of the University, selected from a list of three names submitted by the alumni of the University in such manner and according to such proceedings as the board of trustees of the University may prescribe;

(c) The two terms which would have expired in March, 1974, shall expire in March, 1972. One of these members shall be designated by the mayor of the city of the first class for appointment by the Governor for a two year term; and one shall be designated by the county judge of the county in which the city of the first class is located for appointment by the Governor for a four year term;

(d) The two terms which would have expired in March, 1976, shall expire in March, 1973, and shall be filled for four year terms, with one appointment from the state at large and one

from a list submitted by the alumni of the University as set forth in (b) above.

(e) The two terms which would have expired in March, 1978, shall expire in March, 1974 and shall be filled for four year terms, with one appointment from the state at large and one from a list submitted by the alumni of the University as set forth in (b) above.

(4) At the expiration of the respective terms of the citizen members of the board of trustees as prescribed in the foregoing subsection (3) of this Section, as well as the two new memberships prescribed in (1) of this Section, successors shall be appointed by the Governor for terms of four years each, and in making such appointments the Governor shall observe the requirements relating to nominations by the mayor of the city of the first class, the county judge of the county in which the city is located, and the alumni members. Subject to such requirements the Governor shall make his appointments from the state at large so as to divide the representation upon the board, including the ex officio members and the required appointments, as nearly equally as possible between the two leading political parties in this state.

(5) Vacancies among the citizen members of the board occurring by death, resignation or removal of residence from the Commonwealth shall be filled by appointments made by the Governor for the expiration of the term, subject to the same qualifications set forth in (4) of this Section.

(6) No member of the board of trustees or of the teaching or administrative staff of the University shall be directly or indirectly interested in any contract with the University for the sale of property, materials, supplies, equipment, or services, with the exception of compensation to the faculty and student members.

(7) Subsection (2) of Section 63.080 of the Kentucky Revised Statutes is hereby expressly made applicable to members of the board of trustees of the University of Louisville.

Section 3. A new section of Chapter 164 of the Kentucky Revised Statutes is created to read as follows:

The provisions of Sections 164.030, 164.160, and 164.170 to 164.280, and 164.295 (4) of the Kentucky Revised Statutes shall be applicable to the University of Louisville except where inconsistent with the purposes of this Act.

Section 4. A new section of Chapter 164 of the Kentucky Revised Statutes is created to read as follows:

(1) The governing body of a city of the first class wherein there is situated a state educational institution affording instruction and conferring degrees above the high school grade may make an annual appropriation from the general funds of the city, or from funds derived from other sources, for the support of such state educational institution. Such appropriation shall be such sum as in the judgment of the governing body of the city shall, when supplemented by other income of the state educational institution, be reasonably necessary for such purposes; and the funds so appropriated by the governing body of the city may be paid to the treasurer of the University by the director of finance of the city in regular monthly installments.

(2) The governing body of such city of the first class may additionally set apart or appropriate as a site or sites for buildings and grounds of such state educational institution any public grounds of the city not specially appropriated or dedicated by ordinance to another use.

Section 5. A new section of Chapter 164 of the Kentucky Revised Statutes is created to read as follows;

Consistent with subsection (11) of Section 67.080 of the Kentucky Revised Statutes, the fiscal court of a county containing a city of the first class wherein there is situated a state educational institution affording instruction and conferring degrees above the high school grade, may appropriate county funds for the benefit of such state educational institution.

Section 6. A new section of Chapter 164 of the Kentucky Revised Statutes is created to read as follows:

(1) Proceedings taken by the University of Louisville, through action of its board of trustees, in qualifying to receive the benefits of its status as a state institution, as provided in subsection (3) of Section 1 of this Act shall vest in the Com-

monwealth for the use and benefit of the University of Louisville (without execution and recording of any instruments of conveyance) title to all real property which may be vested in the University of Louisville at the date such qualifying action is perfected according to law. The title so vested in the Commonwealth for the use and benefit of the University of Louisville shall be such title as the University of Louisville may own at that time, and shall be subject to such liens and encumbrances as may then exist thereon. Real property thereafter acquired by the University of Louisville or for its use and benefit shall be in accordance with the provisions of Section 56.020 to 56.060 of the Kentucky Revised Statutes; and any such acquisition of real property, and all dispositions of real property of the University, shall be subject to the provisions of Sections 56.440 to 56.520 of the Kentucky Revised Statutes.

(2) It is recognized and acknowledged that the University of Louisville holds and hereafter may acquire certain endowment and other trust funds and personal properties which it has received or will receive from time to time, over a period of many years, by bequests, devises, gifts, and otherwise, and that they are or will be impressed in trust according to the terms, conditions and provisions subject to which they were or may be received; and accordingly the entirety of all such endowments, trusts and other personal properties shall remain in or pass to the University of Louisville, and shall not pass to or be vested in the Commonwealth as in the case of real properties of the University. In order that the University of Louisville's title, rights and trust responsibilities with regard to all such endowments, trusts and other properties so received may be clarified and made certain, it is recognized and acknowledged that the University of Louisville, as now constituted under its 1846 Charter and subsequent amendments thereto, may by action of its board of trustees, and in the discretion of its board of trustees, transfer them to an independent trust or to an independent nonprofit corporation in such manner and subject to such terms and conditions as said existing board of trustees may deem to be lawful and proper in the discharge of the trusts and other terms and conditions applicable thereto, any provision of this Act to the contrary notwithstanding.

Section 7. A new section of Chapter 164 of the Kentucky Revised Statutes is created to read as follows:

The board of trustees of the University of Louisville may issue revenue bonds of the University for the erection of buildings and appurtenances to be used in connection with the University for educational purposes, and otherwise as provided in Section 162.340 to 162.380 of the Kentucky Revised Statutes, provided, said board of trustees may in its discretion issue such revenue bonds not only for the purposes and in the manner set forth in Section 162.340 to 162.380, but also for the purposes of refinancing any mortgages, mortgage bonds, revenue bonds, notes, or other evidences of indebtedness previously issued or incurred by the University in connection with the acquisition of lands or the purchase, erection or other acquisition of buildings and appurtenant facilities for educational purposes of the University.

Section 8. Section 165.020 of the Kentucky Revised Statutes is repealed.

Section 9. The University shall be allowed one year after the effective date of this Act in which to obtain full compliance with the requirements of the provisions of Section 3.

Committee Substitute, SB 117, AN ACT relating to public higher education.

WHEREAS, in recognition of the needs of the Commonwealth of Kentucky for a state-supported institution of higher learning in the Louisville Metropolitan area, the House of Representatives in 1966 did request a study of the advisability and feasibility of placing the University of Louisville (for convenience of reference sometimes hereinafter called the "University") in the state system of public higher education; thereafter obtaining a report recommending, inter alia, that such action be taken; and

WHEREAS, in acting on this recommendation, the General Assembly did strengthen the state-supported system of public higher education by the passage of a certain Joint Resolution identified as Chapter 239 of the 1968 Kentucky Acts at the 1968 Regular Session (for convenience of reference sometimes hereinafter called the "1968 Legislation"); bringing into the system the oldest municipal university in America; and

WHEREAS, in response to the 1968 Legislation and the enactment of the 1968-1970 budget bill increasing the appropriation to the University, the basic tuition charges were reduced and the tuition differentials between residents of Jefferson County and those from other counties were eliminated, thus reducing the charges for residents from one hundred and nineteen counties in the Commonwealth by nearly one-half (while at the same time continuing a substantially higher rate for students from other states) thus bringing an extensive complex of urban higher learning facilities within the financial reach of many more Kentucky people; and

WHEREAS, pursuant to other provisions of the 1968 Legislation, the University has been participating in the work of the Council on Public Higher Education and has submitted its budget requests to that body for review and thus for these purposes has been considered a state institution since July 1, 1969; and

WHEREAS, the necessary basic steps having been taken it is the opinion and judgment of the General Assembly that the authority of the 1968 Legislation for the University to continue the programs it now offers, both undergraduate and postgraduate, and the limitations on that authority, should be restated as part of the general statutes governing higher education in the Commonwealth;

NOW THEREFORE,

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. A new section of Chapter 164 of the Kentucky Revised Statutes is created to read as follows:

(1) As used in this Act, the following terms shall have, unless the context shall otherwise indicate, the following meanings:

(a) "1968 Legislation" means that certain Joint Resolution of the General Assembly of the Commonwealth of Kentucky identified as Chapter 239 of the 1968 Kentucky Acts;

(b) "University of Louisville" means the university which is situated in a city of the first class, and which has heretofore constituted a municipal university within the meaning and application of KRS 165.020, et seq;

(c) "Council" means the Council on Public Higher Education in Kentucky.

(2) Consistent with the provisions of the 1968 Legislation, it is hereby recognized and confirmed:

(a) that for purposes of participation in the work of the Council and submission of budget requests, the University of Louisville has been considered to be a state institution as of, and continuously since, July 1, 1969,

(b) that "the University of Louisville shall be maintained as a state institution with such incomes, buildings and equipment as will enable it to continue to do work such as it now does, both undergraduate and postgraduate, and embracing the work of instruction as well as research," subject to the approval authority of the Council on Public Higher Education with respect to new programs, and

(c) that the University of Louisville shall be a state institution for all purposes, effective July 1, 1970, subject to its qualification to receive the benefits of such status as a state institution in the manner set forth in subsection (3).

(d) Nothing contained in this Act is intended to add to the program authority granted to the University by Chapter 239 of the 1968 Kentucky Acts.

(3) The University of Louisville, having been chartered by Chapter 137, Acts of 1845-6, approved February 7, 1846, effective in accordance with its terms on March 15, 1846; having become subject to the laws of the Commonwealth generally applicable to corporations of the same category according to the import of subsection Seventeenth of Section 59 of the present Constitution of the Commonwealth; and having duly filed in the office of the Secretary of State its acceptance of the present Constitution of the Commonwealth, in accordance with Section 190 thereof; may qualify to receive the benefits of its status as a state institution, as provided in this Act, by action of its board of trustees in adopting and causing to be filed for public record such proceedings as are required by law, amending its charter or articles of incorporation in such manner as to conform to the provisions of this Act.

Section 2. A new section of Chapter 164 of the Kentucky Revised Statutes is created to read as follows:

(1) In recognition of the fact that appointments of trustees of the University of Louisville have since the original appointments been made by elected officials of a political subdivision of the Commonwealth of Kentucky, which officials are always subject to the sovereign will of the Commonwealth, proceedings taken by the University of Louisville through action of its board of trustees, in qualifying to receive the benefits of its status as a state institution, as provided in subsection (3) of Section 1 of this Act, shall likewise qualify the board of trustees of the University of Louisville in office on the effective date of this Act as a state board and the trustees shall continue in office and shall constitute the governing board of the University for the purpose of operating the University as a part of the state system of higher education subject to the additions and limitations prescribed in this Act. To the ten memberships on the board on the effective date of this Act shall be added three ex officio memberships: The Governor who shall serve as chairman, the Superintendent of Public Instruction, the Commissioner of Commerce; two lay members who shall be appointed by the Governor for terms that shall expire on March 1, 1972; two members of the teaching faculty of the University of Louisville, one of whom shall be the chief executive of the ranking unit of faculty government, the other to be elected by the faculty for a term not exceeding four years, and in accordance with rules prescribed by the board; and the president of the student body. However, if the student body president is not a legal resident of Kentucky, then a member of the student body of the University who is a legal resident of Kentucky shall be elected by the student body for a term of one year under rules prescribed by the board. The faculty members and student body member shall cease to be eligible for membership on the board of trustees upon termination of their respective relationships with the University, and vacancies occurring by reason of such termination shall be filled for the remainder of the respective terms in the same manner. Voting rights of the faculty and student representation and quorum requirements for the board shall be those fixed by Chapter 164 of the Kentucky Revised Statutes.

(2) To facilitate transition in an orderly manner to its

status as a state institution, there shall be a transition period ending March 1, 1974. Terms of members of the board in office on the effective date of this Act shall be reduced so that all shall be terminated by March 1, 1974, on an annual schedule in a sequence generally parallel to that in which the original appointments were to have expired.

(3) During the transition period the terms of existing members shall expire and their successors shall be appointed by the Governor according to the following schedule:

(a) Of the two terms begun in March, 1970, one shall expire in March, 1971, the other in March, 1973. The successors shall be designated by the mayor of the city of the first class for appointment by the Governor;

(b) The two terms which would have expired in March, 1972, shall expire in March, 1971, and shall be filled for four year terms, of which one appointment shall be made from the state at large, and one to be an alumnus or alumna of the University, selected from a list of three names submitted by the alumni of the University in such manner and according to such proceedings as the board of trustees of the University may prescribe;

(c) The two terms which would have expired in March, 1974, shall expire in March, 1972. One of these members shall be designated by the mayor of the city of the first class for appointment by the Governor for a two year term; and one shall be designated by the county judge of the county in which the city of the first class is located for appointment by the Governor for a four year term;

(d) The two terms which would have expired in March, 1976, shall expire in March, 1973, and shall be filled for four year terms, with one appointment from the state at large and one from a list submitted by the alumni of the University as set forth in (b) above.

(e) The two terms which would have expired in March, 1978, shall expire in March, 1974 and shall be filled for four year terms, with one appointment from the state at large and one from a list submitted by the alumni of the University as set forth in (b) above.

(4) At the expiration of the respective terms of the citizen members of the board of trustees as prescribed in the foregoing subsection (3) of this Section, as well as the two new memberships prescribed in (1) of this Section, successors shall be appointed by the Governor for terms of four years each, and in making such appointments the Governor shall observe the requirements relating to nominations by the mayor of the city of the first class, the county judge of the county in which the city is located, and the alumni members. Subject to such requirements the Governor shall make his appointments from the state at large so as to divide the representation upon the board, including the ex officio members and the required appointments, as nearly equally as possible between the two leading political parties in this state.

(5) Vacancies among the citizen members of the board occurring by death, resignation or removal of residence from the Commonwealth shall be filled by appointments made by the Governor for the expiration of the term, subject to the same qualifications set forth in (4) of this Section.

(6) No member of the board of trustees or of the teaching or administrative staff of the University shall be directly or indirectly interested in any contract with the University for the sale of property, materials, supplies, equipment, or services, with the exception of compensation to the faculty and student members.

(7) Subsection (2) of Section 63.080 of the Kentucky Revised Statutes is hereby expressly made applicable to members of the board of trustees of the University of Louisville.

Section 3. A new section of Chapter 164 of the Kentucky Revised Statutes is created to read as follows:

The provisions of Sections 164.030, 164.160, and 164.170 to 164.280, and 164.295 (4) of the Kentucky Revised Statutes shall be applicable to the University of Louisville except where inconsistent with the purposes of this Act.

Section 4. A new section of Chapter 164 of the Kentucky Revised Statutes is created to read as follows:

(1) The governing body of a city of the first class wherein

there is situated a state educational institution affording instruction and conferring degrees above the high school grade may make an annual appropriation from the general funds of the city, or from funds derived from other sources, for the support of such state educational institution. Such appropriation shall be such sum as in the judgment of the governing body of the city shall, when supplemented by other income of the state educational institution, be reasonably necessary for such purposes; and the funds so appropriated by the governing body of the city may be paid to the treasurer of the University by the director of finance of the city in regular monthly installments.

(2) The governing body of such city of the first class may additionally set apart or appropriate as a site or sites for buildings and grounds of such state educational institution any public grounds of the city not specifically appropriated or dedicated by ordinance to another use.

Section 5. A new section of Chapter 164 of the Kentucky Revised Statutes is created to read as follows:

Consistent with subsection (11) of Section 67.080 of the Kentucky Revised Statutes, the fiscal court of a county containing a city of the first class wherein there is situated a state educational institution affording instruction and conferring degrees above the high school grade, may appropriate county funds for the benefit of such state educational institution.

Section 6. A new section of Chapter 164 of the Kentucky Revised Statutes is created to read as follows:

(1) Proceedings taken by the University of Louisville, through action of its board of trustees, in qualifying to receive the benefits of its status as a state institution, as provided in subsection (3) of Section 1 of this Act shall vest in the Commonwealth for the use and benefit of the University of Louisville (without execution and recording of any instruments of conveyance) title to all real property which may be vested in the University of Louisville at the date such qualifying action is perfected according to law. The title so vested in the Commonwealth for the use and benefit of the University of Louisville shall be such title as the University of Louisville may own at that time, and shall be subject to such liens and encumbrances

as may then exist thereon. Real property thereafter acquired by the University of Louisville or for its use and benefit shall be in accordance with the provisions of Section 56.020 to 56.060 of the Kentucky Revised Statutes; and any such acquisition of real property, and all dispositions of real property of the University, shall be subject to the provisions of Sections 56.440 to 56.520 of the Kentucky Revised Statutes.

(2) It is recognized and acknowledged that the University of Louisville holds and hereafter may acquire certain endowment and other trust funds and personal properties which it has received or will receive from time to time, over a period of many years, by bequests, devises, gifts ,and otherwise, and that they are or will be impressed in trust according to the terms, conditions and provisions subject to which they were or may be received; and accordingly the entirety of all such endowments, trusts and other personal properties shall remain in or pass to the University of Louisville, and shall not pass to or be vested in the Commonwealth as in the case of real properties of the University. In order that the University of Louisville's title, rights and trust responsibilities with regard to all such endowments, trusts and other properties so received may be clarified and made certain, it is recognized and acknowledged that the University of Louisville, as now constituted under its 1846 Charter and subsequent amendments thereto, may by action of its board of trustees, and in the discretion of its board of trustees, transfer them to an independent trust or to an independent nonprofit corporation in such manner and subject to such terms and conditions as said existing board of trustees may deem to be lawful and proper in the discharge of the trusts and other terms and conditions applicable thereto, any provision of this Act to the contrary notwithstanding.

Section 7. A new section of Chapter 164 of the Kentucky Revised Statutes is created to read as follows:

The board of trustees of the University of Louisville may issue revenue bonds of the University for the erection of buildings and appurtenances to be used in connection with the University for educational purposes, and otherwise as provided in Section 162.340 to 162.380 of the Kentucky Revised Statutes, provided, said board of trustees may in its discretion issue such

revenue bonds not only for the purposes and in the manner set forth in Section 162.340 to 162.380, but also for the purposes of refinancing any mortgages, mortgage bonds, revenue bonds, notes, or other evidences of indebtedness previously issued or incurred by the University in connection with the acquisition of lands or the purchase, erection or other acquisition of buildings and appurtenant facilities for educational purposes of the University.

Section 8. Section 165.020 of the Kentucky Revised Statutes is repealed.

Section 9. The University shall be allowed one year after the effective date of this Act in which to obtain full compliance with the requirements of the provisions of Section 3.

SB 195, AN ACT relating to the compensation of certain justices of the peace.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Section 64.255 of the Kentucky Revised Statutes is amended to read as follows:

(1) In enacting legislation relating to justices of the peace, it is the intention of the General Assembly to enable justices of the peace in counties having a population of less than 250,000 to exercise criminal jurisdiction as set out in KRS 25.010, and to provide for compensation for their performance of the duties thereby imposed upon them.

(2) In counties having a population of less than 250,000 each justice of the peace may be exclusively compensated for the performance of the duties of his office, in so far as they relate to the trial or decision of criminal cases, by a salary not to exceed $1,200 per annum for counties having a population of 30,000 or less; *$3,000* [$2,400] per annum for counties having a population in excess of 30,000 [and not exceeding 60,000; $3,600 per annum for counties having a population in excess of 60,000] and not exceeding 250,000. The fiscal court of each county is authorized to fix salaries pursuant to the above restrictions. Salaries shall be paid in equal monthly installments out of the county treasury.

(3) All moneys received or collected in criminal cases on account of or resulting from the performance of the duties or the exercise of the powers incident to the office of justice of the peace, shall be reported and paid in full to the circuit clerk of the county, on or before the tenth of each succeeding month, for proper distribution to the county and state.

Section 2. The provisions of this Act shall apply to the calendar year 1970 and all subsequent years.

SB 359, AN ACT relating to issuance of general obligation bonds of the Commonwealth.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1.

Subject to the provisions of Section 50 of the Constitution of the Commonwealth as hereinafter provided, a direct indebtedness of the Commonwealth in the principal amount of forty-eight million three hundred thousand dollars ($48,300,000), in addition to any and all other bonds and indebtedness of the Commonwealth, shall be incurred by the Commonwealth through issuance of its general obligation bonds (sometimes hereinafter referred to as the 1970 Bonds) for the bond payment of which, when due, both principal and interest, the full faith, credit, resources, and unlimited taxing powers of the Commonwealth shall be irrevocably pledged; and the proceeds thereof are hereby appropriated to the Department of Finance as a General Construction Fund of 1970 clearing account for state agencies or public purposes including the acquisition of lands, the construction and reconstruction of buildings and structures, installation of service facilities, and the purchase and installation of equipment, facilities, and furnishings of a permanent nature for buildings and structures in the amounts and for the state agencies or public purposes as follows: School for the Deaf $2,100,000, School for the Blind $495,000, Department of Education for vocational schools $8,000,000, Department of Corrections $18,000,000, Department of Child Welfare $1,165,000, Department of Mental Health $18,000,000. None of the proceeds of the bonds authorized to be issued for allocation as set forth above shall be used for operating expenses. The State Property and Buildings Commission, by reso-

lutions adopted from time to time, is authorized to vary the above schedule and reallocate the proceeds of the General Construction bonds as may be necessary or advisable in its discretion. In addition, $400,000 shall be and is hereby appropriated to the Farm Development Loan Guarantee Fund if such Fund has been created by Act of the General Assembly; otherwise to be allocated by the State Property and Buildings Commission for construction or reconstruction or other purpose previously authorized in this Act. As provided in Section 50 of the Constitution of the Commonwealth, no part of said indebtedness shall be incurred unless this Act be approved by a majority vote upon submission shall be at the general election which is to be held on November 3, 1970.

Section 2.

(1) The State Property and Buildings Commission may, in its discretion, at one time or from time to time issue and offer for sale upon the same occasion the bonds as authorized in Section 1 of this Act in such amounts or any part of the separately designated blocks of bonds as it may determine to be necessary.

(2). The proceeds of the 1970 Bonds shall be segregated from all moneys and funds and shall constitute the General Construction Bond Fund of 1970 clearing account; and expenditures shall be made on order of the Commissioner of Finance only for the purposes set forth in Section 1 of this Act and subject to financial and budgetary procedures as may be provided by law and upon order of the Commission for defraying the expenses incident to the issuance of bonds. Pending expenditure, such proceeds shall be deposited in one or more financial institutions, and each institution shall give security by making a valid pledge to the Commonwealth of United States Government securities approved by said Commission and having an aggregate market value at all times at least equal to the current balance of the deposit; provided, however, said Commission may, in its discretion, cause all or any part of the moneys in the said General Construction Bond Fund to be invested and from time to time reinvested in United States Government securities, and income received from such investments shall be retained in said fund and may be invested and reinvested in like manner. Securities held for the account of said fund shall be converted into cash, upon order of the said Commission, and disbursed and expended whenever required for the designated purposes of the fund.

Section 3.

All of said 1970 bonds shall, as aforesaid, be direct general obligation bonds of the Commonwealth and shall be issued with an irrevocable pledge of the full faith, credit, resources, and unlimited taxing power of the Commonwealth, but in accordance with the mandatory requirement of Section 50 of the Constitution of the Commonwealth there shall be levied and collected, annually, taxes sufficient to pay the interest stipulated, and to discharge the debt within thirty years, as follows:

(1) In order to provide for the payment of the stipulated interest, and to discharge within thirty years the indebtedness to be evidenced by the General Construction Bonds, there shall be levied and collected annually, so long as any of such bonds are outstanding and unpaid, taxes of the Commonwealth upon all retail sales at rates not less than the rates now imposed by law or rates so adjusted as not in any event to jeopardize the prompt payment of principal of and interest on said bonds when due and payable. Proceeds of such taxes, to the extent necessary for payment of the principal of and interest on the General Construction Bonds of 1970, as and when such principal and interest, respectfully, shall become due and payable, are hereby appropriated for that purpose; and such amount thereof shall in each year be set aside in the State Treasury in the "General Construction Bond Sinking Fund of 1970", hereby created, and shall be held therein and disbursed and used upon order of the State Treasurer solely for the purpose of paying the principal of and interest on said identified bonds when and where due and payable, until all of said bonds, or such lesser amount thereof as may have been issued, within thirty years from date of first issue shall have been paid in full. In setting aside monies from the proceeds of such taxes into the General Construction Bond Sinking Fund of 1970, due regard shall be had for any and all vested rights in and to such proceeds existing in favor of the holders of general obligation bonds of the Commonwealth heretofore or hereafter issued and outstanding pursuant to Chapter 40 of the Kentucky Revised Statutes. In each year, after setting aside the herein prescribed amount into the General Construction Bond Sinking Fund of 1970, and after due recognition of the rights enumerated above, the remainder of the proceeds of said identified taxes shall be available for any proper general fund purposes of the Common-

wealth without restriction. Moneys from time to time set aside and deposited in said General Construction Bond Sinking Fund of 1970, as hereinabove provided, may be invested upon orders of the State Property and Buildings Commission from time to time in United States Government securities which mature, or are subject to redemption at the option of the holder, at or before the various times when said Commission determines cash funds will be required for payment of the maturing principal of and interest on said identified bonds; and income received from such securities shall be retained in the said General Construction Bond Sinking Fund of 1970 and may be taken into consideration in the next ensuing annual determination of the amount of such tax proceeds required to be set aside into the said fund as hereinabove provided.

Section 4.

The form of the question which shall be caused to appear on the ballots at the occasion of the General Election to be held November 3, 1970, shall be as follows:

Are you in favor of the Act of the General Assembly known as House Bill, No. ------, enacted at the regular session of 1970 wherein it is proposed that the Commonwealth issue and sell it General Obligation Bonds in addition to all bonds heretofore authorized by the voters in the principal sum of forty-eight million three hundred thousand dollars ($48,300,000), the proceeds of which will be set aside for state agencies and public purposes for the acquisition of lands, the construction and reconstruction of buildings and structures, installation of service facilities, and the purchase and installation of equipment, facilities, and furnishings of a permanent nature for buildings and structures for the state agencies or for other public purposes as follows: School for the Deaf, School for the Blind, Department of Education for vocational schools, Department of Corrections, Department of Child Welfare, Department of Mental Health, Farm Development Loan Guarantee Fund?

Section 5.

Provisions of this Act shall be submitted to the people of the Commonwealth at the General Election to be held on

November 3, 1970. The fact of such submission shall be publicly advertised in the following ways:

(1) It shall be the duty of the Attorney General to prepare and furnish to the Secretary of State, not later than September 15, 1970, a form of "Notice of Election", which shall be so designated, shall conform to any requirements otherwise provided by law for notices of elections, and further shall set forth the proper ballot question in full, and provisions of this Act in full, with provisions for the signature or a facsimile of the Secretary of State. The Secretary of State shall transmit a copy of such form of "Notice of Election" to each of five daily newspapers of bona fide general circulation, published in different areas of the Commonwealth and selected in the discretion of the Secretary of State, with directions that the same be published in each of such newspapers in the form of a legal notice, in one issue published in each of the calendar weeks commencing on Mondays, October 12, 19, 26, and November 2, 1970, but not in any Sunday issue. Each such newspaper shall publish the same as directed in the size type customarily used by it in publishing legal notices, and shall be entitled to payment according to its standard prevailing rate for publication of legal notices. After the last publication, each such newspaper shall provide to the Secretary of State, with or before its bill for publication, at least three copies of affidavit sufficient to constitute proper proof of publication, and if the Secretary of State finds the same to be in order he shall be authorized to draw a warrant upon the State Treasurer for payment from uncommitted moneys in the general fund of the Commonwealth.

(2) The Secretary of State shall deliver a copy of said form of "Notice of Election" to the state printer, and thereupon the state printer shall promptly prepare and furnish to the Secretary of State at least 125 copies of such notice in the form of handbills of sufficient size and type composition as to be ordinarily legible. The Secretary of State shall furnish a copy of the notice in such handbill form to the clerk of the county court of each county of the Commonwealth, and it shall be the duty of each county clerk, upon receiving the same, to post the same at or near the county courthouse door, or otherwise as notices of judicial sales and other court proceedings are customarily posted.

(3) Each county clerk shall cause a facsimile of the ballot question to be published as may be required by law.

(4) If the Secretary of State shall perform in proper and timely fashion each of the duties provided in this section to be performed by him, any failure of others to perform duties and functions as herein provided shall not invalidate the election as to approval or disapproval of this Act, if upon consideration of the Commonwealth as a whole, it shall appear that the qualified voters were fairly apprised of the election.

Section 6.

Said election shall be conducted in conjunction with the general election otherwise provided by law to be held on the same day, by the same election officers and at the same polling places. The votes cast in favor of and against this Act shall be canvassed and certified to the State Board of Election Commissioners as in the case of votes cast in the election of officers of the state at large. If it be found that a majority of the votes cast on the question were in favor of this Act the State Board of Election Commissioners shall so certify to the Governor and the Governor shall proclaim that this Act has been approved and is in effect.

Section 7.

If this Act be approved by a majority of the votes cast thereon at said election, the initial date of issue of the 1970 bonds shall be established by resolution of the State Property and Buildings Commission prior to the first issuance and sale of any of said bonds; and thereafter all of the 1970 bonds, whenever issued, shall be dated as of said date, and shall mature as to principal on or prior to the thirtieth anniversary thereof. The bonds shall be sold for not less than par or face amount and shall bear interest at such rate or rates as said Commission may determine, and interest may be made payable semi-annually. The bonds may be issued at one time or from time to time as the State Property and Buildings Commission may determine by its resolution or resolutions. Said Commission shall in its discretion determine all details thereof, including, but not by way of limitation, their denominations; whether the bonds shall be of term or serial maturities, and the amount which shall mature on

any serial maturity date; whether the bonds, or any of them, shall be subject to redemption prior to stated maturities and upon what terms; place or places of payment of principal and interest, which may be within the Commonwealth or outside thereof; whether interest shall be evidenced by annexed coupons; whether the bonds shall be registered or registerable as to principal or interest, or both, and pertinent provisions regarding subsequent conversion as well as any other details not contrary to law or inconsistent with this Act which in the discretion of said Commission may appear wise and expedient.

Section 8.

The bonds shall be sold by said Commission, in its discretion, at one sale or from time to time as funds are required for the identified purposes. Each sale shall be upon sealed purchase bids which shall be publicly opened and considered after solicitation at least ten days in advance by publication of a notice at least one time in a financial newspaper or journal published in the City and State of New York, and at least one time in a daily newspaper published in the Commonwealth. The Commission may fix one or more interest rates by resolutions adopted prior to publication of the solicitation notice, or may notify bidders to stipulate in their bids one or more interest rates of their own choosing and fix the rate or rates by resolution when action is taken upon the bids. The Commission shall reserve the right to reject bids.

Section 9.

The bonds and receipt of interest thereon shall be exempt from all taxation by the Commonwealth and its political subdivisions, municipalities, and taxing districts. The bonds shall be signed in the name of the Commonwealth by the facsimile signatures of the Governor and Treasurer of the Commonwealth, and the Great Seal of the Commonwealth or a facsimile thereof shall be affixed thereto and attested by the validating signature of the Secretary of State, and the interest coupons, if any, shall be executed by the facsimile signature of the Treasurer. In case any officer whose signature or facsimile thereof shall appear on any bonds or coupons shall cease to be such officer before delivery of the bonds, such signature or facsimile thereof shall, nevertheless, be valid and sufficient for all purposes, the same

as if he had remained in office until delivery. The signature or a facsimile of the signature of any officer holding office at the time of such signature or facsimile signature is caused to appear on any bonds or coupons shall be valid and sufficient whether or not such officer or officers held said respective offices at the date of the bonds. All bonds issued under the provisions of this Act shall have and are hereby declared to have all the incidents of negotiable instruments. Prior to the preparation of definitive bonds, the Commission may issue temporary bonds or certificates, exchangeable for definitive bonds when the same shall be executed and are ready for delivery; and provisions may also be made for the replacement of any bonds which shall become mutilated, or be destroyed or lost. Bonds may be issued under the provisions of this Act without obtaining the consent of any department, division, commission, board, bureau, or agency of the Commonwealth and without any other proceedings or the happening of any conditions, events or things other than the proceedings, conditions, events and things which are specifically required by this Act.

Section 10.

As used in this Act "year" means the fiscal year of the Commonwealth, commencing on the first day of July, and ending on the next ensuing thirtieth day of June, unless the context clearly shows a different meaning.

Orders of the Day (Continued)

HR 105 taken from Orders of the Day and ordered read at length for the third time. Representative McBrayer moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

On the roll call the vote was yeas 81—Alexander, Allen, Arnett, Baker, Blandford, Bleemel, Blume, Blythe, Archie Brown, Edward G. Brown, Hershel Brown, Chapman, Clapp, Clarke, Collins, Curlin, James A. Davis, Walter Davis, DeMarcus, Deskins, Donnermeyer, Dorris, Durham, Haney, John O. Hardin, L. T. Hardin, Head, Hinkle, Huff, Hughes, Isler, Keene, Keith, Kenton, Kessinger, Kidd, King, Knuckles, Lewis, Lindsay, Lou-

den, McBrayer, McBride, McCann, McKinney, McNamara, Massey, May, Mershon, Miller, Murphy, Nett, Osborne, Peak, Pollitte, Prather, Priddy, Rattliff, Ray, Reed, Russell Reynolds, T. P. Reynolds, Ruh, Salyers, Schmidt, Sharpe, Siemens, Simmons, Swinford, Tobin, Van Horn, Wells, Wenz, West, Wheeler, Glenn White, John E. White, Wible, Wright, Wyatt, Yocom. Nays 0.

HR 105 was passed and the title agreed to.

Representative L. T. Hardin moved that the vote by which **HR 105** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

SB 24, with Committee Amendment attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative Prather moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Lindsay moved that the Committee Amendment to **SB 24** be withdrawn. Agreed.

On the roll call the vote was yeas 57—Alexander, Allen, Blandford, Bleemel, Blume, Edward G. Brown, Bruce, Carter, Chapman, Clarke, Conn, Curlin, Deskins, Donnermeyer, Dorris, Graves, Haney, John O. Hardin, Head, Hinkle, Hughes, Isler, Keene, Lewis, Lindsay, Lovins, McBrayer, McBride, McCann, McKinney, Massey, May, Mershon, Miller, Mitchell, Murphy, Nett, Parish, Peak, Pollitte, Prather, Priddy, Ray, Reed, Russell Reynolds, T. P. Reynolds, W. J. Reynolds, Ruh, Salyers, Siemens, Swinford, Tobin, Van Horn, Wenz, Wible, Wyatt, Yocom. Nays 24—Baker, Bartley, Blythe, A. Brown, H. Brown, Clapp, J. Davis, W. Davis, DeMarcus, L. Hardin, Holloway, Huff, Keith, Kessinger, King, Knuckles, Osborne, Rattliff, Schmidt, Sharpe, Stuart, Wells, West, Wheeler.

SB 24 was passed and the title agreed to.

Representative Prather moved that the vote by which **SB 24** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

Representatives Paxton, Rickert and Kleier announced they wished to vote "yea" on **SB 24**.

Representatives Stuart and Kleier announced they wished to vote "yea" on **HR 105.**

SB 35 taken from Orders of the Day and ordered read at length for the third time. Representative Prather moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

On the roll call the vote was yeas 72—Alexander, Allen, Arnett, Baker, Blandford, Bleemel, Blume, Blythe, Archie Brown, Edward G. Brown, Carter, Chapman, Clapp, Clarke, Collins, Curlin, James A. Davis, Walter Davis, Deskins, Donnermeyer, Durham, Graves, Haney, John O. Hardin, L. T. Hardin, Head, Hinkle, Huff, Hughes, Isler, Keene, Keith, Kessinger, Kidd, King, Kleier, Knuckles, Lewis, Lindsay, McBride, McCann, Massey, May, Mershon, Mitchell, Nett, Parish, Paxton, Peak, Pollitte, Prather, Priddy, Rattliff, Ray, Reed, Russell Reynolds, Salyers, Sharpe, Siemens, Simmons, Stuart, Swinford, Tobin, Van Horn, Wenz, West, Wheeler, Glenn White, Wible, Wright, Wyatt, Yocom. Nays 5—Bruce, Lovins, McKinney, Osborne, Rickert.

SB 35 was passed and the title agreed to.

Representative Prather moved that the vote by which **SB 35** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

SB 138 taken from Orders of the Day and ordered read at length for the third time. Representative Prather moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

On the roll call the vote was yeas 78—Alexander, Allen, Arnett, Baker, Blandford, Bleemel, Blume, Blythe, Archie Brown, Edward G. Brown, Hershel Brown, Carter, Chapman, Clapp, Clarke, Collins, Conn, Curlin, James A. Davis, Walter Davis, DeMarcus, Deskins, Donnermeyer, Dorris, Durham, Freeman, Graves, Haney, L. T. Hardin, Head, Hinkle, Huff, Hughes, Isler, Keene, Keith, Kenton, Kidd, Knuckles, Lewis, Lindsay, Louden, McBrayer, McBride, McCann, McNamara, Massey, May, Mershon, Mitchell, Murphy, Osborne, Parish, Paxton, Peak, Pollitte, Prather, Priddy, Rattliff, Reed, Russell Reynolds, Rickert, Ruh, Salyers, Sharpe, Siemens, Simmons, Stuart, Swinford, Tobin,

Van Horn, Wells, Wenz, West, Wheeler, Wible, Wright, Yocom. Nays 1—Lovins.

SB 138 was passed and the title agreed to.

Representative Prather moved that the vote by which **SB 138** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

SB 149 taken from Orders of the Day and ordered read at length for the third time. Representative Prather moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

On the roll call the vote was yeas 73—Allen, Baker, Bartley, Blandford, Bleemel, Blume, Archie Brown, Hershel Brown, Carter, Chapman, Clarke, Collins, Conn, Curlin, Walter Davis, DeMarcus, Deskins, Donnermeyer, Dorris, Durham, Haney, L. T. Hardin, Head, Hinkle, Holloway, Huff, Isler, Keene, Keith, Kenton, Kessinger, Kidd, King, Knuckles, Lewis, Lindsay, Louden, McBrayer, McBride, McCann, McKinney, Massey, May, Mershon, Mitchell, Murphy, Parish, Paxton, Peak, Pollitte, Prather, Priddy, Rattliff, Reed, Russell Reynolds, T. P. Reynolds, Rickert, Ruh, Schmidt, Sharpe, Siemens, Simmons, Stuart, Swinford, Tobin, Van Horn, Wenz, West, Wheeler, John E. White, Wible, Wright, Yocom. Nays 8—Arnett, Blythe, Clapp, J. Davis, Graves, Lovins, Ray, Salyers.

SB 149 was passed and the title agreed to.

Representative Prather moved that the vote by which **SB 149** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

SB 150 taken from Orders of the Day and ordered read at length for the third time. Representative Prather moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

On the roll call the vote was yeas 84—Alexander, Allen, Arnett, Baker, Bartley, Blandford, Bleemel, Blume, Blythe, Archie Brown, Hershel Brown, Bruce, Carter, Chapman, Clarke, Collins, Conn, Curlin, James A. Davis, Walter Davis, DeMarcus, Deskins, Dorris, Durham, Haney, John O. Hardin, L. T. Hardin, Head, Hinkle, Holloway, Huff, Hughes, Isler, Keene, Keith, Kenton,

Kessinger, Kidd, King, Knuckles, Lewis, Lindsay, Louden, McBrayer, McBride, McCann, McKinney, McNamara, Massey, May, Mershon, Miller, Mitchell, Murphy, Nett, Osborne, Parish, Paxton, Peak, Pollitte, Prather, Priddy, Rattliff, Ray, Reed, Russell Reynolds, T. P. Reynolds, Rickert, Salyers, Schmidt, Sharpe, Siemens, Simmons, Stuart, Swinford, Tobin, Van Horn, Wenz, West, Wheeler, Glenn White, John E. White, Wible, Wright. Nays 1—Graves.

SB 150 was passed and the title agreed to.

Representative Prather moved that the vote by which **SB 150** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

SB 172 taken from Orders of the Day and ordered read at length for the third time. Representative Prather moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

On the roll call the vote was yeas 89—Alexander, Allen, Arnett, Baker, Bartley, Blandford, Bleemel, Blume, Blythe, Archie Brown, Edward G. Brown, Hershel Brown, Bruce, Carter, Chapman, Clapp, Clarke, Collins, Conn, Curlin, DeMarcus, Deskins, Donnermeyer, Dorris, Durham, Graves, Haney, John O. Hardin, L. T. Hardin, Head, Hinkle, Holloway, Huff, Hughes, Isler, Keene, Keith, Kenton, Kessinger, Kidd, King, Kleier, Knuckles, Lewis, Lindsay, Louden, Lovins, McBrayer, McBride, McCann, McKinney, McNamara, Massey, May, Mershon, Miller, Mitchell, Murphy, Nett, Osborne, Parish, Paxton, Peak, Pollitte, Prather, Priddy, Rattliff, Ray, Reed, Russell Reynolds, T. P. Reynolds, Rickert, Ruh, Salyers, Schmidt, Sharpe, Siemens, Simmons, Swinford, Tobin, Van Horn, Wells, Wenz, West, Wheeler, Glenn White, John E. White, Wible, Wright. Nays 0.

SB 172 was passed and the title agreed to.

Representative Prather moved that the vote by which **SB 172** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

SB 191 taken from Orders of the Day and ordered read at length for the third time. Representative Prather moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

On the roll call the vote was yeas 89—Alexander, Allen, Arnett, Baker, Bartley, Blandford, Bleemel, Blume, Blythe, Archie Brown, Edward G. Brown, Hershel Brown, Carroll, Chapman, Clapp, Clarke, Collins, Conn, Curlin, James A. Davis, Walter Davis, DeMarcus, Deskins, Donnermeyer, Dorris, Durham, Freeman, Graves, Haney, L. T. Hardin, Head, Hinkle, Holloway, Huff, Hughes, Isler, Keene, Keith, Kenton, Kessinger, Kidd, King, Kleier, Knuckles, Lewis, Lindsay, Louden, Lovins, McBrayer, McBride, McCann, McKinney, McNamara, Massey, May, Mershon, Miller, Mitchell, Murphy, Nett, Parish, Paxton, Peak, Pollitte, Prather, Priddy, Rattliff, Ray, Reed, Russell Reynolds, T. P. Reynolds, Rickert, Ruh, Salyers, Schmidt, Sharpe, Siemens, Simmons, Swinford, Tobin, Van Horn, Wells, Wenz, West, Wheeler, Wible, Wright, Wyatt, Yocom. Nays 0.

SB 191 was passed and the title agreed to.

Representative Prather moved that the vote by which **SB 191** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 558 taken from Orders of the Day and ordered read at length for the third time. Representative Prather moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative DeMarcus moved that action on **HB 558** be temporarily deferred. Agreed.

SB 70 taken from Orders of the Day and ordered read at length for the third time. Representative Prather moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Prather moved that without objection, the Amendments to **SB 70** be acted upon. Agreed.

Representative McCann moved the adoption of the following Amendment No. 2 to **SB 70:**

Amend printed copy of Senate Bill 70 on page 4, line 16, by:

changing the period "." to a comma "," and adding the following: "or a payment for hospital care made by the Department to a nonprofit regional hospital corporation on behalf of a

medically indigent patient as defined in subsection *(12)* [(11)] of this section."

and on page 4, line 21, by striking the word *"twelve"* and inserting in lieu thereof the word *"sixteen"*

and on page 4, line 23, by striking the word *"ten"* and inserting in lieu thereof the word *"fourteen"*

and on page 5, line 4, by inserting immediately following the word *"first"* the words *"ophthalmologist, general practitioner and"* and by striking the word *"member"* and inserting in lieu thereof the word *"members"*

and on page 5, lines 7-12, by placing a begin bracket "[" before the word "Appointments" on line 7, and placing a close bracket "]" after the word "Nurses;" on line 12 and inserting before the begin bracket "[" the following: *"Three members, one of whom must be an ophthalmologist and one a general practitioner, shall be appointed from lists of three nominees for each position submitted by the Kentucky Medical Association, and one member from each list of three nominees submitted by the Kentucky Dental Association, the Kentucky Hospital Association, the Kentucky Pharmaceutical Association, the Kentucky Association of Nursing and Personal Care Homes, the Kentucky State Association of Registered Nurses, and the Kentucky Optometric Association."*

and on page 5, line 12, by striking the words *"and the Kentucky Optometric Associa-"*
and on line 13, by striking *"tion."*

and on line 13, by striking the word "four" and inserting in lieu thereof the word "five"

Agreed.

Representative Graves moved that Amendment No. 1 to **SB 70** be withdrawn. Agreed.

On the roll call the vote was yeas 90—Alexander, Allen, Arnett, Baker, Bartley, Blandford, Bleemel, Blume, Blythe, Archie Brown, Edward G. Brown, Hershel Brown, Bruce, Carroll, Carter, Chapman, Clapp, Clarke, Collins, Conn, Curlin, James A. Davis, DeMarcus, Deskins, Donnermeyer, Dorris, Durham, Graves, Haney, John O. Hardin, L. T. Hardin, Head, Hinkle, Holloway, Huff, Hughes, Isler, Keene, Keith, Kenton, Kessinger, Kidd, King,

Knuckles, Lewis, Lindsay, Louden, Lovins, McBrayer, McBride, McCann, McKinney, McNamara, Massey, May, Mershon, Mitchell, Murphy, Osborne, Parish, Paxton, Peak, Prather, Priddy, Rattliff, Ray, Reed, Russell Reynolds, T. P. Reynolds, W. J. Reynolds, Rickert, Roberts, Ruh, Salyers, Schmidt, Sharpe, Siemens, Stuart, Swinford, Tobin, Van Horn, Wells, Wenz, West, Wheeler, John E. White, Wible, Wright, Wyatt, Yocom. Nays 0.

SB 70 as amended was passed and the title agreed to.

Representative McCann moved that the vote by which **SB 70** as amended was passed be reconsidered and said motion be postponed indefinitely. Agreed.

SB 6, with Committee Amendment attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative McBrayer moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Murphy moved that the floor Amendment to **SB 6** be withdrawn. Agreed.

Representative Blandford moved the adoption of the Committee Amendment to **SB 6**. Agreed.

Representative Huff moved that **SB 6** as amended be laid on the table.

On the roll call the vote was yeas 33—Alexander, Arnett, Bartley, Archie Brown, Hershel Brown, Bruce, Clapp, Collins, James A. Davis, Walter Davis, DeMarcus, Dorris, Durham, L. T. Hardin, Huff, Isler, Keith, Kidd, King, Knuckles, Lindsay, Lovins, McKinney, McNamara, Parish, Peak, Reed, Sharpe, Simmons, Swinford, Tobin, Van Horn, West, Wible. Nays 47—Allen, Baker, Blandford, Blume, Blythe, Carroll, Carter, Chapman, Clarke, Conn, Curlin, Donnermeyer, Graves, Haney, Head, Hinkle, Holloway, Hughes, Keene, Kenton, Kessinger, Kleier, Lewis, Louden, McBrayer, McBride, McCann, Mershon, Miller, Mitchell, Murphy, Nett, Paxton, Pollitte, Prather, Priddy, Ray, R. Reynolds, T. Reynolds, W. J. Reynolds, Rickert, Roberts, Ruh, Salyers, Siemens, Wyatt, Yocom.

The motion that **SB 6** as amended be laid on the table was rejected.

Representative Ray moved the Previous Question on **SB 6** as amended. Agreed.

On the roll call the vote was yeas 52—Baker, Blume, Blythe, Carroll, Carter, Chapman, Clarke, Conn, Curlin, Donnermeyer, John O. Hardin, Head, Hinkle, Holloway, Hughes, Keene, Kenton, Kessinger, Kidd, King, Kleier, Lewis, Lindsay, Louden, McBrayer, McBride, McCann, May, Mershon, Miller, Mitchell, Murphy, Nett, Paxton, Pollitte, Prather, Priddy, Rattliff, Ray, Russell Reynolds, W. J. Reynolds, Rickert, Roberts, Ruh, Schmidt, Siemens, Tobin, Wenz, Wheeler, Glenn White, Wyatt, Yocom. Nays 39—Alexander, Allen, Arnett, Bartley, Blandford, Bleemel, A. Brown, H. Brown, Bruce, Clapp, Collins, J. Davis, W. Davis, DeMarcus, Dorris, Durham, Freeman, Graves, L. Hardin, Huff, Isler, Keith, Knuckles, Lovins, McKinney, McNamara, Massey, Osborne, Parish, Peak, Reed, Salyers, Sharpe, Simmons, Swinford, Van Horn, Wells, West, Wible.

SB 6 as amended was passed.

Representative Siemens moved the adoption of the following Title Amendment to **SB 6:**

Amend printed copy of Senate Bill 6 on page 1, by adding to the title the following: "To be known as the Henry Beach, James R. Yocom, Robert F. Hughes, J. E. Murphy, Joe Haney, George R. Siemens Act"

The Title Amendment to **SB 6** was agreed to.

Representative McBrayer moved that the vote by which **SB 6** as amended was passed be reconsidered and said motion be postponed indefinitely. Agreed.

The following Discharge Petition was filed in regard to **SB 152:**

DISCHARGE PETITION

Pursuant to House Rule 47 of the 1970 Regular Session of the Kentucky General Assembly, the following regularly elected and qualified members of the House hereby request that **SB 152** be discharged from the Committee on Health and Welfare, to which it was referred by the Committee on Committees on

January 27, 1970, for consideration by the House as provided in the said rule.

1. James R. Yocom
2. Peter D. Conn
3. Joe Clarke
4. Wilson W. Wyatt, Jr.
5. Tom Chapman
6. William Kenton
7. Tom Ray
8. Carl A. Nett
9. Dottie Priddy
10. Phillip E. King
11. George R. Siemens
12. John A. Isler
13. Carl Mershon
14. John O. Hardin, III
15. David Carter
16. Charles S. Wible
17. Fon Deskins
18. Charles Wheeler
19. William Donnermeyer
20. Carl J. Ruh
21. Glenn R. Freeman
22. David Van Horn
23. Milton J. Kleier
24. Raymond Collins
25. John Swinford

This petition dated 3-17-70

Representative McCann filed an amendment to **HB 691.**

Report of Committees

The Committee on Rules reported **HB 652, SB 230, SB 73, SB 91, SB 267, SB 276, SB 351, SB 253, SB 168, SB 177, SB 192, SB 194, SB 213, SB 215, SB 216, SB 223, SB 228, SB 241, SB 288, SB 320, SB 146,** and **SB 285** have been posted for passage in Orders of the Day, March 18, 1970.

Orders of the Day (Continued)

HB 580, with Committee Amendment attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative McBrayer moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Blandford moved the adoption of the Committee Amendment to **HB 580.** Agreed.

On the roll call the vote was yeas 49—Allen, Arnett, Blandford, Bleemel, Blume, Carroll, Chapman, Conn, Deskins, Donnermeyer, Graves, Haney, John O. Hardin, Head, Hughes, Isler, Keene, Kenton, Kidd, King, Kleier, Lewis, McBrayer, McBride, McCann, May, Mershon, Miller, Murphy, Parish, Paxton, Peak, Prather, Priddy, Ray, Russell Reynolds, T. P. Reynolds, W. J. Reynolds, Rickert, Ruh, Salyers, Siemens, Swinford, Tobin, Van Horn, Wenz, Wible, Wyatt, Yocom. Nays 30—Bartley, Blythe, A. Brown, H. Brown, Collins, J. Davis, W. Davis, DeMarcus, Durham, L. Hardin, Hinkle, Holloway, Huff, Keith, Kessinger, Knuckles, Lovins, McKinney, Mitchell, Osborne, Pollitte, Reed, Schmidt, Sharpe, Simmons, Stuart, West, Wheeler, J. White, Wright.

HB 580 as amended was passed and the title agreed to.

Representative McBrayer moved that the vote by which **HB 580** as amended was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 523 taken from Orders of the Day and ordered read at length for the third time. Representative McBrayer moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

On the roll call the vote was yeas 84—Allen, Arnett, Baker, Blandford, Blume, Blythe, Archie Brown, Hershel Brown, Bruce, Carroll, Carter, Chapman, Collins, Conn, Curlin, James A. Davis, Walter Davis, DeMarcus, Deskins, Donnermeyer, Dorris, Durham, Freeman, Graves, Haney, John O. Hardin, L. T. Hardin, Head, Hinkle, Holloway, Hughes, Isler, Keene, Keith, Kenton, Kessinger, Kidd, King, Kleier, Knuckles, Lewis, Lindsay, Louden, Lovins, McBrayer, McBride, McCann, McKinney, Massey, May, Mershon, Miller, Mitchell, Nett, Osborne, Parish, Paxton, Peak, Pollitte, Prather, Priddy, Ray, Reed, Rickert, Roberts, Ruh, Salyers, Schmidt, Siemens, Simmons, Stuart, Swinford, Tobin, Van Horn, Wells, Wenz, West, Wheeler, Glenn White, John E. White, Wible, Wright, Wyatt, Yocom. Nays 2—Bartley, Sharpe.

HB 523 was passed and the title agreed to.

Representative McBrayer moved that the vote by which **HB 523** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 705, with Committee Amendment attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative McBrayer moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Massey moved the adoption of the Committee Amendment to **HB 705.** Agreed.

On the roll call the vote was yeas 69—Allen, Arnett, Baker, Bartley, Blandford, Blythe, Archie Brown, Hershel Brown, Bruce, Carroll, Carter, Chapman, Collins, Curlin, James A. Davis, Walter Davis, DeMarcus, Deskins, Donnermeyer, Dorris, Durham, Haney, L. T. Hardin, Head, Hinkle, Hughes, Isler, Keene, Kenton, Kessinger, Kleier, Knuckles, Lindsay, Louden, McBrayer, McBride, McKinney, Massey, May, Mershon, Mitchell, Murphy, Nett, Osborne, Parish, Paxton, Peak, Priddy, Rattliff, Ray, Reed, T. P. Reynolds, W. J. Reynolds, Rickert, Ruh, Schmidt, Sharpe, Simmons, Swinford, Tobin, Van Horn, Wells, Wenz, West, Wheeler, Glenn White, Wible, Wright, Yocom. Nays 5—Graves, King, Lewis, Salyers, Stuart.

HB 705 as amended was passed and the title agreed to.

Representative Massey moved that the vote by which **HB 705** as amended was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 649, taken from Orders of the Day and ordered read at length for the third time. Representative McBrayer moved that it be read by title only and placed upon its passage.

Representative Mitchell moved that **HB 649** be laid on the table.

On the roll call the vote was yeas 39—Allen, Arnett, Blandford, Blythe, Archie Brown, Hershel Brown, Collins, James A. Davis, Walter Davis, Donnermeyer, Haney, Head, Huff, Hughes, Kenton, Knuckles, Lewis, Lovins, McCann, McKinney, Mitchell, Murphy, Osborne, Paxton, Peak, Pollitte, Reed, T. P. Reynolds, W. J. Reynolds, Roberts, Salyers, Sharpe, Simmons, Van Horn, Wells, Wenz, West, Glenn White. Nays 33—Baker, Blume, Carroll, Carter, Curlin, Deskins, Durham, Freeman, Graves, Holloway, Isler, Keene, Kessinger, King, Kleier, Lindsay, McBride,

May, Mershon, Nett, Prather, Priddy, Rickert, Ruh, Siemens, Stuart, Swinford, Tobin, Wheeler, Wible, Wright, Wyatt, Yocom.

HB 649 was tabled.

HB 689, with Committee Amendment attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative McBrayer moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative DeMarcus moved the adoption of the Committee Amendment to **HB 689**. Agreed.

On the roll call the vote was yeas 82—Allen, Arnett, Baker, Blandford, Blume, Blythe, Archie Brown, Hershel Brown, Carroll, Carter, Chapman, Collins, Conn, Curlin, James A. Davis, Walter Davis, DeMarcus, Deskins, Dorris, Durham, Freeman, Graves, Haney, Head, Hinkle, Holloway, Huff, Hughes, Isler, Keene, Keith, Kenton, Kessinger, Kidd, King, Kleier, Knuckles, Lewis, Lindsay, Louden, Lovins, McBrayer, McBride, McCann, McKinney, Massey, May, Mershon, Miller, Mitchell, Murphy, Nett, Osborne, Parish, Paxton, Peak, Pollitte, Prather, Priddy, Rattliff, Reed, Rickert, Roberts, Ruh, Salyers, Schmidt, Sharpe, Siemens, Simmons, Stuart, Swinford, Tobin, Van Horn, Wells, Wenz, West, Wheeler, Glenn White, Wible, Wright, Wyatt, Yocom. Nays 0.

HB 689 as amended was passed and the title agreed to.

Representative McBrayer moved that the vote by which **HB 689** as amended was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HB 700 taken from Orders of the Day and ordered read at length for the third time. Representative McBrayer moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

On the roll call the vote was yeas 68—Allen, Baker, Blandford, Blume, Blythe, Carroll, Carter, Chapman, Deskins, Donnermeyer, Dorris, Freeman, Graves, Haney, Head, Hinkle, Holloway, Huff, Hughes, Isler, Keene, Keith, Kenton, Kessinger, Kidd, King, Kleier, Knuckles, Lewis, Lindsay, Lovins, McBrayer, McBride, McCann, May, Miller, Mitchell, Murphy, Nett, Osborne, Parish,

Paxton, Peak, Pollitte, Prather, Priddy, Rattliff, Reed, T. P. Reynolds, Rickert, Ruh, Salyers, Sharpe, Siemens, Simmons, Stuart, Swinford, Tobin, Van Horn, Wells, Wenz, West, Wheeler, Glenn White, Wible, Wright, Wyatt, Yocom. Nays 0.

HB 700 was passed and the title agreed to.

Representative McBrayer moved that the vote by which **HB 700** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

The Speaker announced and it was agreed that, the Rules of the House notwithstanding, all Senate bills received today will be referred and posted for consideration.

Representative Huff announced he wished to vote "yea" on **HB 705** and **HB 523.**

Introduction of Bills and Resolutions

HR 120, by Representative Stuart: A RESOLUTION relating to the development of a sport stadium in Jefferson County.

HR 121, by Representative Kenton: A RESOLUTION requesting and petitioning the United States Department of Justice, Immigration and Naturalization Service and the United States Department of Health, Education and Welfare, Exchange Visitor Waiver Review Board, to grant a waiver of the foreign residence requirement to Dr. Pang Ling Man.

HR 122, by Representatives Donnermeyer, Murphy, Ruh, J. White, Reed, Schmidt, Chapman, Kenton, Mershon, Isler, King, Roberts and Louden: A RESOLUTION honoring the City of Bellevue, Kentucky and commemorating the 100th anniversary of its founding.

Announcements

The Clerk announced the following Bills and Resolutions were posted for consideration:

Health and Welfare: **SB 309.** (Room 401, March 18, 1970, 10:00 a.m.)

Judiciary: **SB 12, SB 224, SB 286.** (Basement, March 18, 1970, 10:00 a.m.)

Appropriations and Revenue: **SB 227, SB 402.** (Room 305, March 18, 1970, 11:00 a.m.)

Senate Message

Announcing passage of **HB 59, HB 79, SB 358, SB 269, SB 371, SB 368, SB 402, SB 312** and **SB 387.**

Reference of Bills and Resolutions

The Committee on Committees has referred the following Bills and Resolutions:

Health and Welfare: **SB 358.**

State Government: **SB 269.**

Cities: **SB 387.**

Appropriations and Revenue: **SB 402** and **SB 371.**

Judiciary: **SB 368, SB 312.**

Representative Arnett moved that the House adjourn until 12 noon, Wednesday, March 18, 1970. Agreed.

WEDNESDAY, MARCH 18, 1970
FIFTY-EIGHTH LEGISLATIVE DAY

The House was called to order by Speaker Pro Tempore Blume.

Prayer by Rabbi William J. Leffler, Temple Adath Israel, Lexington, Kentucky.

The roll was called. All present except Representatives Floyd, Huff, McGill, R. Reynolds and Wheeler.

Representative Isler moved that absent members be granted leave of absence. Agreed.

Representative McNamara moved that the reading of the Journal of March 17, 1970, be dispensed with and the same approved. Agreed.

Report of Committees

The Committee on Health and Welfare reported **SB 309**, **SB 358** and **HR 110** with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

SB 309, AN ACT relating to membership on air pollution control board.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Section 77.070 of the Kentucky Revised Statutes is amended to read:

(1) In a county containing a city of the first or second class, the air pollution control board of the air pollution control district shall consist of *nine* [seven] members, *four* [three] of whom shall be appointed by the County Judge, subject to the approval of the fiscal court, and *five* [four] of whom shall be appointed by the Mayor of the city of the first or second class within such county. The Mayoral appointments shall be subject to the approval of the legislative body of the city.

(2) The Mayor shall appoint, subject to the approval of the legislative body of the city, one member for a term of one year, one member for a term of two years, one member for a term of three years, and one member for a term of four years, and the County Judge, subject to the appoval of the fiscal court, shall appoint one member for a term of two years, one member for a term of three years, and one member for a term of four years, and upon the expiration of each of said terms respectively, and thereafter, the term of each of such members shall be four years, and until their successors are appointed and qualified.

(3) All air pollution control board members appointed pursuant to this section must be freeholders within the district; those appointed by the County Judge must be residents of such county, and those appointed by the Mayor must be residents of such city.

(4) Not more than *five* [four] of the *nine* [seven] board members appointed pursuant to this section shall be of the same political party affiliation, nor shall an officer or employee of such city or county, whether holding a paid or unpaid position, be eligible for appointment to the board.

(5) A member of the air pollution control board is eligible to succeed himself. A vacancy in the membership shall be filled by an appointee of the Mayor or of the County Judge as the case may be, for the unexpired portion of the term. An appointee to a vacancy shall have the same qualifications as any regularly appointed member.

(6) Any member of the board appointed by a Mayor may be removed, for cause, after a hearing, by the legislative body of such city, and after ten days notice in writing shall have been given to the member, which notice shall embrace the charges preferred against him. At the hearing he may be represented by counsel. The finding of the legislative body shall be final and removal results in vacancy in such office.

(7) Any member of the board appointed by a County Judge may be removed, for cause, after a hearing, by the Fiscal Court of such County, and after ten days notice in writing shall have been given to the member, which notice shall embrace the charges preferred against him. At the hearing he may be

represented by counsel. The finding of the Fiscal Court shall be final and removal results in vacancy in such office.

(8) As used in this section "Mayor" means the chief executive of the city whether the official designation of his office is Mayor, City Manager, or otherwise.

SB 358, AN ACT relating to prescription drugs.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 217.175 of the Kentucky Revised Statutes is amended to read as follows:

The following acts and the causing thereof within the Commonwealth of Kentucky are hereby prohibited:

(1) The manufacture, sale, or delivery, holding or offering for sale of any food, drug, device, or cosmetic that is adulterated or misbranded;

(2) The adulteration or misbranding of any food, drug, device, or cosmetic;

(3) The receipt in commerce of any food, drug, device, or cosmetic that is adulterated or misbranded, and the delivery or proffered delivery thereof for pay or otherwise;

(4) The sale, delivery for sale, holding for sale, or offering for sale of any article in violation of KRS 217.075;

(5) The dissemination of any false advertisement;

(6) The refusal to permit entry or inspection, or to permit the taking of a sample or to permit access to records or evidence, as authorized by KRS 217.155;

(7) The giving of a guaranty or undertaking which guaranty or undertaking is false, except by a person who relied on a guaranty or undertaking to the same effect signed by, and containing the name and address of the person residing in the Commonwealth of Kentucky from whom he received in good faith the food, drug, device, or cosmetic;

(8) The removal or disposal of a detained or quarantined article in violation of KRS 217.115;

(9) The alteration, mutilation, destruction, obliteration, or removal of the whole or any part of the labeling of, or the doing of any other act with respect to a food, drug, device, or cosmetic, if such act is done while such article is held for sale and results in such article being adulterated or misbranded;

(10) Forging, counterfeiting, simulating, or falsely representing, or without proper authority using any mark, stamp, tag, label, or other identification device authorized or required by regulations promulgated under the provisions of KRS 217.005 to 217.215;

(11) The using, on the labeling of any drug or in any advertisement relating to such drug, of any representation or suggestion that any application with respect to such drug is effective under KRS 217.075, or that such drug complies with the provisions of such section;

(12) The manufacture, sale or exchange of any filled milk;

(13) The manufacture, mixing, compounding, selling, or offering for sale of any flour unless the same is enriched; provided that this prohibition shall not apply to flour sold to bakeries or other commercial secondary processors, which flour is used only in the production of enriched flour or enriched bread or in the manufacture of products not required to be enriched;

(14) The manufacture, baking, sale, or offering for sale of any bread except bread conforming to the definition of enriched bread[.];

(15) The obtaining or attempting to obtain a prescription drug bearing the statement "Caution: Federal law prohibits dispensing without prescription," or procuring or attempting to procure the administration of such a prescription drug by fraud, deceit, misrepresentation or subterfuge or by the forgery or alteration of a prescription or by the concealment of a material fact, or by the use of a false name or the giving of a false address, (except as otherwise provided by law for "narcotic drugs" and "dangerous drugs");

(16) The uttering of any false or forged prescription of a drug bearing the statement "Caution: Federal law prohibits dispensing without prescription," (except as otherwise provided by law for "narcotic drugs" and "dangerous drugs").

HR 110, A RESOLUTION instructing the Legislative Research Commission to investigate and study pollution of our environment caused by any state-owned or state-operated facilities.

WHEREAS, on February 4, 1970, the President of the United States ordered that immediate steps be taken to eliminate the causing of pollution of the environment by all federal facilities; and

WHEREAS, air, water, and noise pollution control regulations should be adhered to by all state-owned or state operated facilities as well as private in order to protect the public health and welfare of the citizens of this Commonwealth; and

WHEREAS, this legislative body is of the opinion that the Commonwealth of Kentucky could and should render a vital service in the prevention and control of pollution of our environment in attempting to reverse the undesirable effects now present as a result of such pollution; and

WHEREAS, state government should take the lead in the 1970's in controlling pollution existing or occurring within our Commonwealth;

NOW, THEREFORE,

Be it resolved by the Senate and the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

That the Legislative Research Commission, in close consultation with the State Air Pollution Control Commission and Water Pollution Control Commission, make a thorough investigation of those state-owned or state operated facilities which have been or are presently contaminating our environment through air, water, and noise pollution; and that said study be presented to the next General Assembly in January, 1972, with recommendations for abatement and control of such pollution.

The Committee on State Government reported **SB 234, SB 269, SB 378, SR 52, SR 56** and **SR 63** with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

SB 234, AN ACT relating to tour buses.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Section 281.013 of the Kentucky Revised Statutes is amended to read as follows:

As used in this chapter, unless the context requires otherwise:

(1) (a) A "city bus certificate" means a certificate granting authority only for the operation of motor vehicles transporting passengers for hire between points within the corporate limits of a city and over regular routes;

(b) A "city bus" is a motor vehicle operated under one or more city bus certificates;

(c) The term "city bus license" means a license plate issued for a bus authorizing its operation under one or more city bus certificates or a combination of city bus certificates and suburban bus certificates;

(2) (a) A "suburban bus certificate" means a certificate granting authority only for the operation of motor vehicles carrying passengers for hire within the confines of either one or more cities and their suburban area, or a suburban area, over regular routes but not granting authority to engage in intracity transportation;

(b) A "suburban bus" is a motor vehicle operated under one or more suburban bus certificates;

(c) The term "suburban bus license" means a license plate issued for a bus authorizing its operation under one or more suburban bus certificates;

(3) (a) An "industrial bus certificate" means a certificate granting authority only for the operation of motor vehicles exclusively transporting employes of a given industry or industries for hire to and from their place of employment;

(b) An "industrial bus" is a motor vehicle operated under an industrial bus certificate;

(c) The term "industrial bus license" means a license plate issued for a bus authorizing its operation under an industrial bus certificate.

(4) (a) A "tour bus certificate" means a certificate granting authority only for the operation of motor vehicles transporting passengers for hire from one point within an area to surrounding recognized points of tourist interests and back to the originating point along regular routes;

(b) A "tour bus" is a motor vehicle operated under one or more tour bus certificates;

(c) A "tour bus license" means a license plate issued for a bus authorizing its operation under one or more tour bus certificates;

Section 2. A new section of Chapter 281 of the Kentucky Revised Statutes is created to read as follows:

The annual registration fee for motor vehicles operated as a "tour bus" shall be $2.50 per seat, exclusive of the driver, and a "tour bus license" shall be issued in the same manner as a license for a city bus, industrial bus, or suburban bus. The mileage taxes imposed by law in respect to motor vehicles primarily engaged in the transportation of passengers for hire shall not be applicable to the operations of a "tour bus."

SB 269, AN ACT relating to the establishment of a Wild Rivers System.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. This Act may be cited as the Kentucky Wild Rivers Act.

Section 2. A new section of Chapter 146 of the Kentucky Revised Statutes is created to read as follows:

Definitions:

As used in this Act, the words listed herein shall have the following respective meanings, unless another or different meaning or intent shall be clearly indicated by the context:

(1) The word "stream or watercourse" shall mean a flowing body of water or a section, portion, tributary thereof, including rivers, streams, creeks, and branches.

(2) The word "free flowing" shall mean existing or flowing

in a natural condition without impoundment, diversion, straightening, rip-rapping, or other modification of the waterway. The existence, however, of low dams, diversion works, and other minor structures at the time any stream is proposed for inclusion in the Wild Rivers System shall not automatically bar its consideration for such inclusion: Provided, that this shall not be construed to authorize, intend or encourage future construction of such structures within components of the Wild Rivers System.

(3) The word "road" shall mean a highway, a hard-surfaced road, or an improved or unimproved dirt road. The existence, however, of unimproved roads at the time any stream is proposed for inclusion in the Wild Rivers System shall not automatically bar its consideration for such inclusion. Provided, that this shall not be construed to authorize intend to encourage future construction of such roads where this would be contrary to the provisions of this Act.

(4) The word "scenic easement" shall mean a perpetual easement in land which (i) is held for the benefit of the people of Kentucky, (ii) is specifically enforceable by its holder or beneficiary, (iii) limits or obligates the holder of the servient estate, his heirs, and assigns, with respect to their use and management of the land and activities conducted thereon, the object of such limitations and obligations being the maintenance or enhancement of the natural beauty of the land in question or of areas affected by it.

(5) The word "wilderness type recreation" shall mean activities such as fishing, hunting, canoeing, camping, hiking, horseback riding, exploring, archaeological and scientific investigation, and scenic and aesthetic enjoyment, which utilizes and protects to the highest degree the primitive and natural values of the area.

(6) The word "visual horizon" shall mean the normal distance to which land and vegetative features can be unobstructedly viewed from the center of the stream.

(7) The word "access point" shall mean an area along the stream under public ownership available for public recreational use including, but not limited to, the launching of boats, picnicking and camping.

(8) "Commissioner" shall mean the Commissioner of Natural Resources.

Section 3. A new section of Chapter 146 of the Kentucky Revised Statutes is created to read as follows:

Wild Rivers, Policy Stated:

The General Assembly hereby recognizes that certain streams of Kentucky possess outstanding and unique scenic, recreational, geological, fish and wildlife, botanical, historical, archaeological and other scientific, aesthetic, and cultural values. It is the policy of the General Assembly to complement dam construction and development projects on Kentucky watercourses with other equally important and beneficial uses of our water resources. Therefore, it is hereby declared that in order to afford the citizens of the Commonwealth an opportunity to enjoy natural streams, to attract out-of-state visitors, to assure the well-being of our tourist industry, to preserve for future generations the beauty of certain areas untrammeled by man, it is in the interest of the Commonwealth to preserve some streams or portions thereof in their free-flowing condition because their natural, scenic, scientific, and aesthetic values outweigh their value for water development and control purposes now and in the future. For aesthetic, as well as ecological reasons, the foremost priority shall be to preserve the unique primitive character of those streams in Kentucky which still retain a large portion of their natural and scenic beauty, and to prevent future infringement on that beauty by impoundments or other manmade works. Since the stream areas are to be maintained in a natural state, they will also serve as areas for the perpetuation of Kentucky's wild fauna and flora. Few such streams remain in the Eastern portion of the United States, and the General Assembly feels a strong obligation to the people of Kentucky to preserve these remnants of their proud heritage. It is the purpose of this Act to establish a Wild Rivers System by designating certain streams for immediate inclusion in the System and by prescribing the procedures and criteria for protecting and administering the System. It is not the intent of this Act to require or to authorize acquisition of all lands or interests in lands within the exterior boundaries of the stream areas but to assure preservation of the scenic, ecological and other values and to provide proper management of the recreational, wildlife, water and other resources.

Section 4. A new section of Chapter 146 of the Kentucky Revised Statutes is created to read as follows:

Stream Classification:

The following types of streams are eligible for inclusion in the Wild Rivers System in which they will be administered in general accord with the criteria hereinafter set forth:

Class I —Wild Rivers Areas

Class II —Scenic Stream Areas

Class III—Recreational Stream Areas

Class I—Wild River Areas

Those streams or sections of streams that are free flowing, with shorelines and scenic vistas essentially primitive and unchanged, free from evidence of the works of man, and pleasing to the eye. The waters shall not be polluted beyond feasible correction and shall be kept unpolluted once corrected according to standards established by the Kentucky Water Pollution Control Commission. Access shall be limited to foot, canoe, boat or horseback. The area may provide a high quality fish and wildlife habitat, containing one or more unique or rare species for sport or observation. It may provide opportunities for scientific study or appreciation of essentially undisturbed ecological, geologic or archaeologic conditions. It shall provide wilderness type recreation such as canoeing and hiking, or specialized uses without disturbing the primitive character of the area. Within the boundary areas set forth in Section 9 of this Act, lands adjacent to these streams that are not already in state or other public ownership shall be protected by acquisition of fee title or by scenic easements to the full extent necessary to preserve a true primitive environment in its pristine state.

Class II—Scenic Stream Areas

Those streams or sections of streams that are free flowing, with shorelines and watersheds predominately used for agriculture and other dispersed human activities which do not substantially interfere with public use of the streams and their shores. The water shall not be polluted beyond feasible correction and shall be kept unpolluted once corrected, according to standards established by the Kentucky Water Pollution Commission. It may

provide opportunities for scientific study or appreciation consistent with only moderate disturbances of ecologic, geologic or archaeologic conditions. It may provide above average scenic features and recreation in limited locations, such as reasonable amounts of fishing, boating, hiking, picnicking, and nature observation for group participation. Within the boundary area set forth in Section 9 (2) of this Act, lands adjacent to any such stream shall remain primarily in the type of use existing at the time of designation, or else be allowed to revert to natural conditions.

Class III—Recreational Stream Areas

Those streams or sections thereof that have lost all or most of their natural character through development of the stream and its setting, but which still possess actual or potential scenic values, particularly of a pastoral type. Historic or cultural values worthy of preservation may have been created during the process of development. The stream can be readily accessible by road or railroad, and may have undergone impoundment, such as lock or dam, but must still have the appearance of a stream. The waters may be polluted, according to standards established by the Kentucky Water Pollution Commission but shall still provide good fishing and safe boating. These streams will be managed to prevent further loss of scenic values, to improve the scenic aspects of their surroundings; and to restore the quality of their waters and prevent further pollution. The stream area may provide a good quality of common game and fish species, and provide large quantities of recreation such as boating, fishing, and picnicking so as to attract mass human use with little or no limitations on numbers participating; and shall provide opportunities for scientific study or appreciation of streams as they were developed until mid-century, and may offer unique archaeological or historical features.

Section 5. A new section of Chapter 146 of the Kentucky Revised Statutes is created to read as follows:

Streams Initially Included in System:

The streams or segments of streams to be initially included in this system, being classified by the above stated criteria, are as follows:

The Green River from the eastern boundary of Mammoth Cave National Park to the backwater of Lock and Dam No. 6 as a Wild River Area and that portion impounded by Lock and Dam No. 6 within the park as a Recreational Stream Area.

Section 6. A new section of Chapter 146 of the Kentucky Revised Statutes is created to read as follows:

Establishing Boundaries of Area:

The Commissioner of Natural Resources shall, within two (2) years after the enactment of this legislation, determine generally the boundaries of the stream area associated with the stream or stream segment initially included in the Wild Rivers System by this Act. Establishment of these boundaries shall be determined by the stream classification as follows:

(1) for Class I Wild River Areas, the boundary shall be established in such a way that it includes at least the visual horizon from the stream, but not more than five hundred (500) feet from the center of the stream. The boundary shall further include those lands necessary for public access.

(3) For Class III Recreational Stream Areas, the boundary shall include the view from the stream and shall be not more than four hundred and fifty (450) feet from the usual banks of the stream on each side and shall include those lands necessary for public access.

Section 7. A new section of Chapter 146 of the Kentucky Revised Statutes is created to read as follows:

Proposals for Additions to the System:

The Commissioner of Natural Resources shall study and from time to time submit to the Governor and to the General Assembly proposals for additions to the Wild Rivers System of Streams and sections of streams which, in his judgment, fall within one or more of the categories set forth. Each proposal shall be accompanied by:

(1) A detailed map showing the boundaries of the stream or sections of streams and those adjacent lands needed to protect and administer the needed controls.

(2) The category of the proposed additions in accordance with Section 4 of this Act.

(3) A detailed report on the factors which make the area a worthy addition to the system.

The intention of this requirement is to insure that such studies will be made; it is not intended to preclude or discourage, but rather encourage similar studies and proposals by other agencies or by citizen groups working independently.

Authority for additions to the Wild Rivers System shall remain exclusively with the Kentucky General Assembly.

Section 8. A new section of Chapter 146 of the Kentucky Revised Statutes is created to read as follows:

Administration of System, Regulations:

The Wild Rivers System shall be administered by the Department of Natural Resources according to the policies and criteria set forth in this Act. The Commissioner of Natural Resources is authorized to adopt any rules or regulations necessary for the preservation and enhancement of the stream areas as set forth in Section 9 of this Act, and for control of recreational, educational, scientific and other uses of these areas in a manner that shall not impair them. In such administration primary emphasis shall be given to protecting aesthetic, scenic, historic, archaeologic, and scientific features of the area. The Commissioner shall develop a management plan for a designated stream area and shall publicize and hold public hearings and record the views expressed on each plan developed. Management plans for a given stream area may establish varying degrees of intensity for its protection, based on special attributes of each area, but shall not depart from the following criteria:

(1) Class I Wild River Areas shall be managed in accordance with the concepts embodies in Section 4 of this Act.

(2) Class II Scenic Stream Areas shall be managed in accordance with the concepts embodied in Section 4 of this Act, but with the further provision that no buildings for accommodation, administration or similar purposes and no automobile parking lots, campgrounds and similar facilities shall be constructed within the visual horizon of the stream as set forth in Section 9 (2) of this Act.

(3) Management policy for Class III Recreational Stream

Areas shall depend on the nature of the area and plans for its future; with the provisions that steps shall be taken in all areas to lessen the existing pollution level to conform with standards established by the Kentucky Water Pollution Commission.

Section 9. A new section of Chapter 146 of the Kentucky Revised Statutes is created to read as follows:

Classification to Higher Status:

Whenever in the judgment of the Commissioner of Natural Resources a stream area previously administered as Class II (or Class II) has been sufficiently restored and enhanced in its natural scenic qualities in whole or in part, the whole area or part area shall be classified to a higher status (Class II to Class I, or Class III to Class II) and thereafter administered accordingly. No stream shall be managed in a manner that would result in the area falling into a lower class.

Section 10. A new section of Chapter 146 of the Kentucky Revised Statutes is created to read as follows:

Land Acquisition:

Within the exterior boundaries of a designated stream area, as established and authorized by the Kentucky General Assembly, the Commissioner of Natural Resources is authorized and empowered to acquire by purchase, exercise of the rights of eminent domain, grant, gift, devise or otherwise, the fee simple title to, a scenic easement on, or any acceptable lesser interest in any lands, and by lease or conveyance, contract for the right to use and occupy any lands. Where property within such boundaries is owned by the federal government, the Commissioner can enter into agreements with the landowning agency concerning use of the property consistent with the objectives of this Act.

The Commissioner of Natural Resources may not exercise authority to acquire lands or interests in lands located within any incorporated city, village, or county when such entities have in force a duly adopted, valid ordinance or plan for the management, zoning and protection of such lands in accordance with the provisions of this Act.

Section 11. A new section of Chapter 146 of the Kentucky Revised Statutes is created to read as follows:

Lands Uses Permitted:

Lands uses to be allowed within the exterior boundaries of a designated stream area shall depend upon the classification of such an area, as follows:

(1) In Class I Wild River Areas, no new roads, buildings, utility lines or pipelines shall be constructed. All existing unimproved roads shall be gated, and all existing structures where possible shall be removed or hidden from view. There shall be no mining, and cutting of timber shall be allowed only pursuant to regulations issued by the Commissioner, but in no case shall cutting of timber be allowed within one hundred (100) feet of either shoreline. All land disturbances, including in-stream disturbances such as dredging, shall be prohibited. Except for the management agency, access shall be by foot, horse-back, canoe, boat, or other nonmechanized modes of transportation.

(2) In Class II Scenic Stream Areas and Class III Recreational Stream Areas, the continuation of present agricultural practices, such as grazing and crop propagation shall be permitted, but in no case shall such agricultural practices be permitted within one hundred (100) feet of either shoreline. Construction of farm-use buildings shall be permitted, provided that it is found to be compatible with the maintenance of scenic vistas from the stream and its banks. There shall be no mining, commercial timber harvesting, or construction of roads paralleling the stream within the boundary areas set forth in Section 9 of this Act. Construction of utility lines or pipelines, and construction of additional public use structures shall be prohibited unless approved by the Commissioner in writing, and under provision that the affected land be restored to its original states.

Section 12. A new section of Chapter 146 of the Kentucky Revised Statutes is created to read as follows:

Conflict with Other Laws:

Any component of the Wild Rivers System that is or shall become a part of any state park, wildlife refuge, or similar state administered area shall be subject to the provisions of this Act and the laws under which the other areas may be administered,

and in the case of conflict between the provisions of these laws the more restrictive provisions shall apply.

Section 13. A new section of Chapter 146 of the Kentucky Revised Statutes is created to read as follows:

Cooperation of Other State Agencies with the Commissioner of Natural Resources:

All state agencies shall, promptly upon enactment of this Act, inform the Commissioner of Natural Resources of any proceedings, studies, or other activities within their jurisdictions, and regardless of by whom requested, which are now in progress and which affect or may affect any of the streams specified in Section 5. They shall likewise inform him of any such proceedings, studies or other activities which are hereafter commenced or resumed before they are commenced or resumed.

Section 14. A new section of Chapter 146 of the Kentucky Revised Statutes is created to read as follows:

Cooperation with Federal Government:

Nothing in this Act shall preclude a component of the Wild Rivers System from becoming a part of the National Wild and Scenic Rivers System. The Commissioner of Natural Resources is directed to encourage and assist any Federal studies for inclusion of Kentucky streams in the National Wild and Scenic Rivers System. The Commissioner of Natural Resources may enter into written cooperative agreements for joint Federal-state or interstate administration of a Kentucky component of the National Wild and Scenic Rivers System, provided such agreements for the administration of water and land uses are not less restrictive than those set forth in this Act.

Section 15. A new section of Chapter 146 of the Kentucky Revised Statutes is created to read as follows:

Employment of Personnel:

The Commissioner of Natural Resources may employ such technical, clerical, stenographic and other employees and assistants as are required to effectively carry out his duties and responsibilities as provided in this Act.

Section 16. A new section of Chapter 146 of the Kentucky Revised Statutes is created to read as follows:

Wild Rivers System Fund, Creation:

A fund for the purpose of carrying out the provisions of this Act is hereby created to be designated as a "Wild Rivers System Fund" to consist of all revenues derived from privileges, concessions, contracts, or otherwise, all monies received by gifts, contributions, donations and grants from public or private sources, and monies appropriated from General Revenue Funds of the State for the purposes of this Act. Such "Wild Rivers System Fund" shall be disbursed by the Department of Natural Resources, after appropriations are made by law, for administration and other expenses and for other purposes provided by this Act.

Section 17. A new section of Chapter 146 of the Kentucky Revised Statutes is created to read as follows:

Actions for Penalties and Injunctions:

It shall be the duty of the Attorney General, upon the request of the Commissioner of Natural Resources, to bring an action for the recovery of the penalties herein provided for and to bring an action for a restraining order, temporary or permanent injunction, for the prevention or correction of a condition constituting or threatening to constitute a violation of this Act. All actions for penalties and injunctive relief for violations of this Act shall be brought in the name of the Commonwealth of Kentucky by the Attorney General in the Franklin Circuit Court.

Section 18. A new section of Chapter 146 of the Kentucky Revised Statutes is created to read as follows:

Penalties:

Any person, corporation, city, county or other governmental subdivision who violates any of the provisions of this Act shall be liable to a civil penalty of not more than $1,000 for said violation and in addition may be enjoined from continuing said violation. Each day upon which such violation occurs or continues shall constitute a separate offense.

SB 378, AN ACT relating to air pollution control.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Section 224.450 of the Kentucky Revised Statutes is amended to read as follows:

(1) Each county which pursuant to the provisions of KRS Ch. 77 has established or subsequent to the enactment of KRS 224.310 to 224.460 and 224.991 will establish a local Air Pollution Control Program, shall submit a synopsis of said program together with such standards and procedures as are enacted by regulation to the state department for approval within a period of ninety days from the enactment hereof, or a period of ninety days of the establishment of said local program.

(2) If, after review by the commission, *and a public hearing held in the county activating a district, the commission determines that the air pollution control district has adopted standards and procedures and has the necessary staff to implement the program* [it is determined that the county in question has established an Air Pollution Control Program meeting state regulatory standards in the area to which such program relates, and that such program will be administered] in a manner consistent with the objectives of KRS 224.310 to 224.460 and 224.991, *concurrent jurisdiction may be granted the air pollution control district for the administration and enforcement of the aforesaid statutes. The air pollution control district shall adopt no regulation or standard less stringent than a regulation or standard adopted by the commission, and shall submit prepared regulations and standards to the commission for prior concurrence. Periodic reports shall be made to the commission as shall be provided for by regulation. If the commission shall determine, after hearing with notice, that a district program is not being administered in accordance with the statutes and regulations of the commission or the district, the grant of authority may be suspended, revoked, or modified by order of the commission* [the jurisdiction for the purposes of KRS 224.310 to 224.460, and 224.991 shall be ceded to the administrative agency for the local program, provided, however, that the commission may reassume said jurisdiction when after formal hearing it is determined that the local program is not meeting the state standards].

(3) This provision shall in no way diminish the authority of the commission to administer and enforce the provisions of KRS 224.310 to 224.460 and 224.991.

(4) The grant of concurrent jurisdiction to a district shall give to such district the authority to administer and enforce the provisions of KRS 224.310 to 224.460 and 224.991, under the control and supervision of the commission and subject to the authority of the commission to take any action determined proper, independently of the district.

(5) The commission shall be empowered to enforce any and all regulations or standards in any district when concurrent jurisdiction is granted.

(6) When enforcement actions are taken by the district, the local Commonwealth, county, and city prosecuting attorney, instead of the Attorney General shall prosecute such actions.

SJR 52, A JOINT RESOLUTION authorizing and directing the Legislative Research Commission to make a study of the Kentucky workmen's compensation laws.

WHEREAS, workmen's compensation laws had their beginning in the United States well over fifty years ago; and

WHEREAS, by 1948, all states had adopted workmen's compensation laws; and

WHEREAS, there are presently found great variations in the provisions of the various state laws as to coverage, amount of benefits paid, insurance requirements, and administrative procedures; and

WHEREAS, conflicting claims have been and are being made regarding the adequacy with which the Kentucky workmen's compensation law protects the employe and the economic impact of the program on the employer; and

WHEREAS, the Special Fund is supported by periodic assessments of all participating carriers and self-insurers; and

WHEREAS, most compensable disabilities have occurred in one industry, resulting in an inequitable distribution of payments from and into the Special Fund; and

WHEREAS, several legislative commissions and councils of other states, as well as the federal government, have undertaken similar studies of the need for revision of workmen's compensation laws; and

WHEREAS, there is a growing public awareness and demand for a comprehensive review and re-evaluation of Kentucky's workmen's compensation laws, and such a study is in the public interest;

NOW, THEREFORE,

Be it resolved by the General Assembly of the Commonwealth of Kentucky:

Section 1. The Legislative Research Commission is authorized and directed to make a comprehensive evaluation of the Kentucky workmen's compensation laws and their administration, and the need for revision or amendments. Such study shall include, but shall not be limited to, persons and employment covered, coverage of occupational diseases, amount and length of disability benefits, types of benefits, provisions for rehabilitation of injured workers, administration of the Special Fund, extraterritorial coverage and administration of claims. The results of this study, including findings, evaluations and recommendations, shall be reported to the 1972 Regular Session of the Kentucky General Assembly.

Section 2. The Legislative Research Commission shall be empowered to appoint an advisory committee to assist in determining the scope and direction of the study and to assist in the preparation of any proposed revision.

Section 3. The Department of Labor, the Workmen's Compensation Board and the Department of Insurance shall furnish to the commission such information and advice that they may have, and shall cooperate with the commission in making this study and in the preparation of any substantive revision of the workmen's compensation laws, particularly with regard to their experience and information available from similar agencies of other states.

SCR 56, A CONCURRENT RESOLUTION containing the Adolph Rupp Address.

WHEREAS, twoscore years ago our University brought forth upon this Commonwealth a new coach, conceived in Kansas, and

dedicated to the proposition that all basketball teams are not created equal; and

WHEREAS, he has engaged in a great athletic contest, testing whether that team, or any team so conceived and so dedicated, can long endure; and

WHEREAS, Kentucky has been and is the great arena of that contest; and

WHEREAS, we have met on a portion of that arena to honor him who has devoted his life that that team might win; and

WHEREAS, it is altogether fitting and proper that we should do this; but

WHEREAS, in a larger sense, we cannot add honors, we cannot add stature to this coach; and

WHEREAS, the brave men, past and present who played for him, have honored him far above our poor power to add or detract; and

WHEREAS, it is for us, the fans, to be dedicated here to the unfinished work which they who played here have thus far so nobly advanced; and

WHEREAS, it is rather for us to be here dedicated to the great task remaining before us, that from this honored coach we take increased devotion to that cause for which he gives the full measure of devotion;

NOW, THEREFORE,

Be it resolved by the Senate of the General Assembly of the Commonwealth of Kentucky, the House of Representatives concurring therein:

1. That we here highly resolve that this coach shall not have coached in vain, that this team, under Adolph, shall have a new national championship, and that basketball of the people, by the people, and for the people, shall not perish from the Commonwealth.

2. That this General Assembly honors Coach and Mrs. Adolph Rupp as Kentucky's outstanding adopted children of the past forty years, and wishes them happiness and success for forty more years of honored Kentucky citizenship.

SJR 63, A JOINT RESOLUTION relating to public education.

WHEREAS, the present controversy in our public school system indicates the imperative need for a complete and detailed examination of the system of common school education in the Commonwealth of Kentucky; and

WHEREAS, Kentucky parents and taxpayers are frustrated by their inability to evaluate the educational product of their tax dollars and are dismayed by the lack of effective channels of communication between the people of the Commonwealth and its educational leadership; and

WHEREAS, too little time remains for the public and the educational leadership to resolve all of these issues in the 1970 General Assembly;

NOW, THEREFORE,

Be it resolved by the General Assembly of the Commonwealth of Kentucky:

Section 1. There is hereby created an independent agency of state government to be known as the Survey Commission on Public Education (SCOPE).

Section 2. The Commission shall be composed of nine members, three of whom shall be appointed by the Governor, three by the President of the Senate, and three by the Speaker of the House of Representatives. No more than three members of the Commission shall be affiliated with public or private education in any official capacity. Membership on the Commission shall not be incompatible with any other public office, except to the extent required by the Constitution. The Commission shall select a Chairman from among its members and shall meet upon call of the Chairman.

Section 3. The Commission shall conduct a comprehensive examination of common school education in Kentucky which shall include, but not be limited to, the following:

(1) An evaluation of the quality and quantity of the educational product of the primary and secondary public schools of the Commonwealth as it relates to the expenditure of public funds therefor;

(2) An examination of financing and taxing trends for common school education;

(3) An evaluation of Kentucky's educational progress in terms of the needs of Kentucky society and Kentucky students;

(4) A study of the relationship between primary and secondary public education and all post-secondary education;

(5) Recommendations for establishing a series of long-term priorities with regard to Kentucky's ability to pay for these educational services;

(6) Recommendations for improving the administration, organization and delivery of educational services by the common school system of the Commonwealth;

(7) Recommendations of ways to incorporate into Kentucky's school districts innovations and new educational techniques being developed in and out of Kentucky;

(8) Develop permanent guidelines and principles to govern the level of public support of common school education;

(9) Recommendations on ways to minimize pernicious political influences within the system of common schools.

Section 4. The Commission is authorized to employ staff to assist in its survey, and Commission members shall be paid a per diem and actual expenses for attending meetings.

Section 5. No later than November 15, 1971, the Commission shall submit to the Governor and to the General Assembly its findings and recommendations, along with an administrative plan for achieving and implementing same.

Section 6. The Commission shall be attached to the Legislative Research Commission for administrative and budgetary purposes.

Section 7. There is hereby appropriated out of the General Expenditure Fund the sum of $100,000 for the 1970-1971 fiscal year, and any unexpended balance at the end of the fiscal year shall be available for expenditure by the Commission in the 1971-1972 fiscal year. Authority of the Commission shall expire on June 30, 1972.

The Committee on Judiciary reported **SB 43, SB 312** with Committee Amendment attached thereto, and **SB 382** with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

SB 43, AN ACT relating to appeals from the Department of Public Safety's discretionary suspension of operator's licenses.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Section 186.580 of the Kentucky Revised Statutes is amended to read as follows:

(1) If the circuit clerk refuses to issue a license or a motorcycle operator's endorsement to an applicant, the applicant may appeal to the department.

(2) *If* any person *is* aggrieved by any ruling of the department relating to the denial, revocation, suspension or cancellation of an operator's license or motorcycle operator's endorsement, [or any other safety provision of KRS 186.400 to 186.640,] other than orders of revocation or suspension when the facts render revocation or suspension mandatory, *he* shall advise the department *in writing* of his grievance, stating the grounds for it. In not less than fifteen nor more than thirty days *thereafter,* the aggrieved party may [petition the quarterly court] *file an action against the department in the circuit court* of the county in which he resides, *or in the Franklin Circuit Court,* for relief. [The quarterly court may grant adequate relief.] A copy of the [petition shall be filed with the department.] *complaint must be served with the summons. A stay of the department's ruling may be granted by the court pending a final determination of the action.*

(3) Either the aggrieved person or the department may appeal [from] the decision of the [quarterly court] *circuit court.*

SB 312, AN ACT relating to appointment of stenographic reporters.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 28.410 of the Kentucky Revised Statutes is amended to read as follows:

(1) Each circuit judge may appoint an official stenographic reporter for his court or division, except that if his judicial district embraces more than one county, none of which contains a city of the third class, he may appoint one official stenographic reporter for the district, *or except that his court or division qualifies under the provisions of subsection (2).* The reporter shall be skilled in the profession, and shall hold office at the pleasure of the judge.

(2) Each circuit judge regularly presiding over criminal trials may employ an additional stenographic reporter. The reporter shall be skilled in the profession, and shall hold office at the pleasure of the judge. This Act shall apply to circuit courts in counties containing a city of the first class.

The Committee Amendment to **SB 312** is as follows:

Amend printed copy of Senate Bill 312 on page 2, line 2, by:

adding after the word "first" and preceding the word "class" the following:

"or second"

SB 382, AN ACT relating to the transfer of Kentucky inmates to other states under the provisions of the Interstate Corrections Compact.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. A new section of Chapter 196 of the Kentucky Revised Statutes is created to read as follows:

Section 2. This Act may be cited as the Interstate Corrections Compact.

Section 3. Interstate Corrections Compact. The Interstate Corrections Compact is hereby enacted into law and entered into by this state with any other states legally joining therein in the form substantially as follows:

INTERSTATE CORRECTIONS COMPACT

ARTICLE I
Purpose and Policy

The party states, desiring by common action to fully utilize and improve their institutional facilities and provide adequate programs for the confinement, treatment and rehabilitation of various types of offenders, declare that it is the policy of each of the party states to provide such facilities and programs on a basis of cooperation with one another, thereby serving the best interests of such offenders and of society and effecting economies in capital expenditure and operational costs. The purpose of this compact is to provide for the mutual development and execution of such programs of cooperation for the confinement, treatment and rehabilitation of offenders with the most economical use of human and material resources.

ARTICLE II
Definitions

As used in this compact, unless the context clearly requires otherwise:

(a) "State" means a state of the United States; the United States of America; a territory or possession of the United States; the District of Columbia; the Commonwealth of Puerto Rico.

(b) "Sending state" means a state party to this compact in which conviction or court commitment was had.

(c) "Receiving state" means a state party to this compact to which an inmate is sent for confinement other than a state in which conviction or court commitment was had.

(d) "Inmate" means a male or female offender who is committed, under sentence to or confined in a penal or correctional institution.

(e) "Institution" means any penal or correctional facility, including but not limited to a facility for the mentally ill or mentally defective, in which inmates as defined in (d) above may lawfully be confined.

ARTICLE III

Contracts

(a) Each party state may make one or more contracts with any one or more of the other party states for the confinement of inmates on behalf of a sending state in institutions situated within receiving states. Any such contract shall provide for:

1. Its duration.

2. Payments to be made to the receiving state by the sending state for inmate maintenance, extraordinary medical and dental expenses, and any participation in or receipt by inmates of rehabilitative or correctional services, facilities, programs or treatment not reasonably included as part of normal maintenance.

3. Participation in programs of inmate employment, if any; the disposition or crediting of any payments received by inmates on account thereof; and the crediting of proceeds from or disposal of any products resulting therefrom.

4. Delivery and retaking of inmates.

5. Such other matters as may be necessary and appropriate to fix the obligations, responsibilities and rights of the sending and receiving states.

(b) The terms and provisions of this compact shall be a part of any contract entered into by the authority of or pursuant thereto, and nothing in any such contract shall be inconsisent therewith.

ARTICLE IV

Procedures and Rights

(a) Whenever the duly constituted authorities in a state party to this compact, and which has entered into a contract pursuant to Article III, shall decide that confinement in, or transfer of an inmate to, an institution within the territory of another party state is necessary or desirable in order to provide adequate quarters and care or an appropriate program of rehabilitation or treatment, said official may direct that the confinement be within an institution within the territory of said other party state, the

receiving state to act in that regard solely as agent for the sending state.

(b) The appropriate officials of any state party to this compact shall have access, at all reasonable times, to any institution in which it has a contractual right to confine inmates for the purpose of inspecting the facilities thereof and visiting such of its inmates as may be confined in the institution.

(c) Inmates confined in an institution pursuant to the terms of this compact shall at all times be subject to the jurisdiction of the sending state and may at any time be removed therefrom for transfer to a prison or other institution within the sending state, for thansfer to another institution in which the sending state may have a contractual or other right to confine inmates, for release on probation or parole, for discharge, or for any other purpose permitted by the laws of the sending state; provided that the sending state shall continue to be obligated to such payments as may be required pursuant to the terms of any contract entered into under the terms of Article III.

(d) Each receiving state shall provide regular reports to each sending state on the inmates of that sending state in institutions pursuant to this compact including a conduct record of each inmate and certify said record to the official designated by the sending state, in order that each inmate may have official review of his or her record in determining and altering the disposition of said inmate in accordance with the law which may obtain in the sending state and in order that the same may be a source of information for the sending state.

(e) All inmates who may be confined in an institution pursuant to the provisions of this compact shall be treated in a reasonable and humane manner and shall be treated equally with such similar inmates of the receiving state as may be confined in the same institution. The fact of confinement in a receiving state shall not deprive any inmate so confined of any legal rights which said inmate would have had if confined in an appropriate institution of the sending state.

(f) Any hearing or hearings to which an inmate confined pursuant to this compact may be entitled by the laws of the sending state may be had before the appropriate authorities of the sending state, or of the receiving state if authorized by the

sending state. The receiving state shall provide adequate facilities for such hearings as may be conducted by the appropriate officials of a sending state. In the event such hearing or hearings are had before officials of the receiving state, the governing law shall be that of the sending state and a record of the hearing or hearings as prescribed by the sending state shall be made. Said record together with any recommendations of the hearing officials shall be transmitted forthwith to the official or officials before whom the hearing would have been had if it had taken place in the sending state. In any and all proceedings had pursuant to the provisions of this subdivision, the officials of the receiving state shall act solely as agents of the sending state and no final determination shall be made in any matter except by the appropriate officials of the sending state.

(g) Any inmate confined pursuant to this compact shall be released within the territory of the sending state unless the inmate, and the sending and receiving states, shall agree upon release in some other place. The sending state shall bear the cost of such return to its territory.

(h) Any inmate confined pursuant to the terms of this compact shall have any and all rights to participate in and derive any benefits or incur or be relieved of any obligations or have such obligations modified or his status changed on account of any action or proceeding in which he could have participated if confined in any appropriate institution of the sending state located within such state.

(i) The parent, guardian, trustee, or other person or persons entitled under the laws of the sending state to act for, advise, or otherwise function with respect to any inmate shall not be deprived of or restricted to his exercise of any power in respect of any inmate confined pursuant to the terms of this compact.

ARTICLE V

Acts Not Reviewable in Receiving State: Extradition

(a) Any decision of the sending state in respect of any matter over which it retains jurisdiction pursuant to this compact shall be conclusive upon and not reviewable within the receiving state, but if at the time the sending state seeks to re-

move an inmate from an institution in the receiving state there is pending against the inmate within such state any criminal charge or if the inmate is formally accused of having committed within such state a criminal offense, the inmate shall not be returned without the consent of the receiving state until discharged from prosecution or other form of proceeding, imprisonment or detention for such offense. The duly accredited officers of the sending state shall be permitted to transport inmates pursuant to this compact through any and all states party to this compact without interference.

(b) An inmate who escapes from an institution in which he is confined pursuant to this compact shall be deemed a fugitive from the sending state and from the state in which the institution is situated. In the case of an escape to a jurisdiction other than the sending or receiving state, the responsibility for institution of extradition or rendition proceedings shall be that of the sending state, but nothing contained herein shall be construed to prevent or affect the activities of officers and agencies of any jurisdiction directed toward the apprehension and return of an escapee.

ARTICLE VI
Federal Aid

Any state party to this compact may accept federal aid for use in connection with any institution or program, the use of which is or may be affected by this compact or any contract pursuant hereto and any inmate in a receiving state pursuant to this compact may participate in any such federally aided program or activity for which the sending and receiving states have made contractual provision, provided that if such program or activity is not part of the customary correctional regimen the express consent of the appropriate official of the sending state shall be required therefor.

ARTICLE VII
Entry Into Force

This compact shall enter into force and become effective and binding upon the states so acting when it has been enacted

into the law by any two states. Thereafter, this compact shall enter into force and become effective and binding as to any other of said states upon similar action by such state.

ARTICLE VIII

Withdrawal and Termination

This compact shall continue in force and remain binding upon a party state until it shall have enacted a statute repealing the same and providing for the sending of formal written notice of withdrawal from the compact to the appropriate officials of all other party states. An actual withdrawal shall not take effect until one year after the notices provided in said statute have been sent. Such withdrawal shall not relieve the withdrawing state from its obligations assumed hereunder prior to the effective date of withdrawal. Before the effective date of withdrawal, a withdrawing state shall remove to its territory, at its own expense, such inmates as it may have confined pursuant to the provisions of this compact.

ARTICLE IX

Other Arrangements Unaffected

Nothing contained in this compact shall be construed to abrogate or impair any agreement or other arrangements which a party state may have with a non-party state for the confinement, rehabilitation or treatment of inmates nor to repeal any other laws of a party state authorizing the making of cooperative institutional arrangements.

ARTICLE X

Construction and Severability

The provisions of this compact shall be liberally construed and shall be severable. If any phrase, clause, sentence or provision of this compact is declared to be contrary to the constitution of any participating state or of the United States or the applicability thereof to any government, agency, person or cir-

cumstance is held invalid, the validity of the remainder of this compact and the applicability thereof to any government, agency, person or circumstance shall not be affected thereby. If this compact shall be held contrary to the constitution of any state participating therein, the compact shall remain in full force and effect as to the remaining states and in full force and effect as to the state affected as to all severable matters.

Section 4. Powers. The Commissioner of Corrections is hereby authorized and directed to do all things necessary or incidental to the carrying out of the compact in every particular and he may in his discretion delegate this authority.

Section 5. This Act shall take effect (insert date) and all acts and parts of acts inconsistent herewith are hereby repealed.

The Committee on Public Utilities and Transportation reported **SB 129** with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

SB 129, AN ACT relating to historic motor vehicles.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Section 186.043 of the Kentucky Revised Statutes is amended to read as follows:

(1) In enacting this section, it is the intention of the General Assembly to recognize the special value of historic vehicles to the Commonwealth, and also to recognize the historic vehicles, because of their limited use and easily identifiable characteristics, do not require the same degree of regulation as other vehicles.

(2) As used in this section, unless the context otherwise requires, "Historic Vehicle" shall mean all motor vehicles *twenty-five* [thirty-five] years old or older which are used primarily for exhibition in shows, parades, tours and other special uses, but not for general transportation.

(3) Historic vehicles shall be registered and licensed by the Department of Revenue. Such registration shall be in lieu of registration and license required by KRS 186.020 to 186.270.

(4) Upon payment of a fee of twenty-five dollars and an application in accordance with regulations issued by the Department of Revenue, the Commissioner of Revenue shall issue a certificate of registration and two special license plates of a different color and design than the regular license plate, which, in the judgment of the Commissioner of Revenue, will best advertise, popularize and promote the Commonwealth of Kentucky. These plates, besides the word "Kentucky" shall have the words "Historic Motor Vehicle" inscribed in a conspicuous manner and carry no year date. These plates shall have a serial number beginning with the number "100" and continue in a consecutive numerical sequence.

(5) The registration license and license plates of historic motor vehicles shall be valid without renewal as long as the vehicle is in existence. If the historic motor vehicle is sold, the registration and license shall be assigned and transferred to the new owner on the records of the Department of Revenue upon receipt of an application in accordance with regulations issued by the department and payment of a fee of two dollars.

(6) The Commissioner of Revenue may make such reasonable rules and regulations as he deems necessary to further the purpose of this section.

Calendar

SB 207, SB 211, SB 245, SB 257, SB 275, SB 281, SB 289, SB 319, SB 323, SB 386, SB 188, SB 221, SB 222, SB 231, SB 195, SB 341, SB 359, SB 295, SB 291, SB 280, SB 388, SB 184, SB 117, SB 127, SB 80, SB 94, SB 100, SB 153 and **HB 644** taken from the Calendar and ordered read at length for the second time. Representative McBrayer moved that they be read by title only. Agreed by a majority of members elected. Ordered placed in Orders of the Day.

Speaker Carroll presiding.

Report on Enrolled Bills

The Committee on Enrollment reported **HB 79** and **HB 59** had been examined and found correctly enrolled. **HB 79** and

HB 59 read at length, compared and signed in open session by the Speaker. Ordered delivered to the Senate.

HB 79 and **HB 59** delivered to the Senate, signed by President. Ordered delivered to the Governor.

Motions, Petitions and Communications

Representative Stuart moved the adoption of **HR 120**. Agreed.

HR 120, A RESOLUTION relating to the development of a sport stadium in Jefferson County.

WHEREAS, this Commonwealth has been long known as the capital of basketball; and

WHEREAS, the Universities of this Commonwealth are now in the process of developing a football program in which all Kentuckians can take pride; and

WHEREAS, the construction of a sport stadium in Jefferson County would benefit the people of the county and of the Commonwealth;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

That this body urges the Mayor of the City of Louisville and the judge of Jefferson County to use and combine their resources to develop and construct a sport stadium for Jefferson County.

Representative Kenton moved the adoption of **HR 121.** Agreed.

HR 121, A RESOLUTION requesting and petitioning the United States Department of Justice, Immigration and Naturalization Service and the United States Department of Health, Education and Welfare, Exchange Visitor Waiver Review Board, to grant a waiver of the foreign residence requirement to Dr. Pang Ling Man.

WHEREAS, Dr. Pang Ling Man serves the people of the Commonwealth of Kentucky with exceptional ability and dedica-

tion as a Fellow in Psychiatry at the School of Medicine of the University of Louisville, and a clinician at Eastern State Hospital and the Comprehensive Care Centers of Kentucky; and

WHEREAS, his services to the people of Kentucky are invaluable, and

WHEREAS, he will be required to leave Kentucky unless the United States Department of Justice, Immigration and Naturalization Service, and the United States Department of Health, Education, and Welfare, Exchange Visitor Waiver Review Board, grant a waiver of the foreign residence requirement to him.

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

Section 1. That the United States Department of Justice, Immigration and Naturalization Service and the United States Department of Health, Education and Welfare, Exchange Visitor Waiver Review Board, be made aware of the great need of the people of Kentucky for the services of Dr. Pang Ling Man and their earnest desire that a waiver of the foreign residence requirement be granted to him, and it be requested and petitioned of the United States Department of Health, Education and Welfare, Exchange Visitor Waiver Review Board, that all things necessary be done to enable Dr. Man to remain in Kentucky and to continue his great work in helping the people of the Commonwealth.

Section 2. That the Clerk of this House be directed to send copies of this Resolution to The Honorable John Newton Mitchell, Attorney General of the United States, The Honorable Robert H. Finch, Secretary of Health, Education and Welfare, The Honorable Raymond F. Farrell, Commissioner of Immigration and Naturalization Service, and Mrs. N. Merzel, Exchange Visitor Waiver Review Board, Department of Health, Education and Welfare.

Representative Carter moved the adoption of **HR 117.** Agreed.

HR 117, A RESOLUTION commending Adolph Rupp and the University of Kentucky basketball team.

WHEREAS, the season just concluded produced many outstanding moments and a record of which many are proud; and

WHEREAS, throughout the season, the team and all connected with it, displayed what was a shining example of sportsmanship; and

WHEREAS, the season ended in a gruelling and disappointing test; and

WHEREAS, even in the depths of this disappointment the team displayed the courage, the intestinal fortitude, the sportsmanship that marks a true champion; and

WHEREAS, one game does not a champion make nor one game a champion break;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

Section 1. That the University of Kentucky basketball team is still number one as determined by the major polls and above all, number one to their loyal fans.

Section 2. That Coach Adolph Rupp be commended for his coaching prowess; the product of which is the team's many laurels.

Section 3. That copies of this resolution be sent to the team members, Coach Rupp and members of his coaching staff.

Representative Swinford moved the adoption of **HR 109.** Agreed.

HR 109, A RESOLUTION directing the Legislative Research Commission to study the preservation of original records and documents in the State Land Office.

WHEREAS, a significant portion of the early history of this Commonwealth is preserved in the State Land Office on documents hoary and fragile with age; and

WHEREAS, their very fragile nature is demonstrated by the irretrievable loss of the original draft of Kentucky's current Constitution; and

WHEREAS, a decent respect to the opinions of posterity requires that this delicate memorabilia be preserved and protected;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

That the Legislative Research Commission be directed to study ways and means of preserving original Kentucky historical documents in the State Land Office, the estimated cost of such preservation as to its most feasible method, and the possibility of making copies thereof available for day-to-day use.

Representative Curlin moved the adoption of **HR 115.** Agreed.

HR 115, A RESOLUTION honoring Kentucky State College.

WHEREAS, the Commonwealth is known far and wide as the capital of basketball; and

WHEREAS, the Commonwealth sent many teams to many tournaments; and

WHEREAS, Kentucky State College, by winning five games in five days, has won the NAIA championship; and

WHEREAS, these championship laurels are a fitting finish to the outstanding season enjoyed by Coach Lucias Mitchell and his champions; and

WHEREAS, the Kentucky State Thorobreds lose only one player to graduation, promising fine basketball in the future in the high tradition of Kentucky basketball;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

Section 1. That this House offers its warmest congratulations to Coach Mitchell and his Thorobreds on their national championship.

Section 2. That the Clerk shall send attested copies of this Resolution to Dr. Carl Hill, President, Kentucky State College, and to Coach Mitchell.

Representative Kenton moved the adoption of **HR 108.** Agreed.

HR 108, A RESOLUTION commending the organizers and sponsors of the Lexington Soap Box Derby.

WHEREAS, the Soap Box Derby has grown from a small local contest set up by an enterprising newspaper reporter in Dayton, Ohio in 1933 to an event attracting world-wide participation in Akron, Ohio, in 1970; and

WHEREAS, approximately 35,000 to 40,000 boys, ages 11 through 15, will participate this year in local derbies held in communities all over the world; and

WHEREAS, the Thoroughbred Kiwanis Club of Lexington, Kentucky, in cooperation with L. R. Cooke Chevrolet Company, is sponsoring the Lexington Soap Box Derby in 1970, for boys from all parts of the Commonwealth; and

WHEREAS, the objectives of the Soap Box Derby is to stimulate creativity, imagination, and construction of a useful item by the participants; and

WHEREAS, the local winner will receive a $500 U.S. Savings Bond and a trip for himself and his family to Akron, Ohio, where he will participate in the Derby finals; and

WHEREAS, the local winner may be one of 9 finalists sharing in college scholarships valued at a total of $30,000;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

Section 1. That the organizers and sponsors of the Lexington Soap Box Derby are hereby praised and commended by holding this event in the Commonwealth and offering such great opportunities to the participants.

Section 2. That the Clerk of the House of Representatives be and he hereby is directed to mail a copy of this resolution to the chairman of this event, Mr. Ray Boggs, 505 Bryanwood Parkway, Lexington, Kentucky.

Representative Lindsay moved the adoption of **HR 112.** Agreed.

HR 112, A RESOLUTION honoring Frank Camp.

WHEREAS, Frank Camp has recently retired as football coach at the University of Louisville, after 23 years of untiring devotion to the principles of sportsmanship; and

WHEREAS, upon his retirement he ranked 17th among all active college coaches in the nation; and

WHEREAS, Coach Camp played his college years as quarterback at Transylvania, and coached at Hodgenville, Glasgow, and Henderson High Schools before coming to the University; and

WHEREAS, Coach Camp has clearly demonstrated his coaching abilities, examples of which include John Unitas and Leonard Lyles of the Baltimore Colts, Ernie Green of the Cleveland Browns' Doug Buffone and Lee Calland of the Chicago Bears, Ken Kortas of the Pittsburgh Steelers, Charlie Johnson of the San Francisco Forty-Niners, and many other outstanding professional athletes; and

WHEREAS, Coach Camp was recently honored with the Distinguished American Award of the Louisville Chapter of the National Football Foundation Hall of Fame; and

WHEREAS, this honored coach deserves further honor for his continuing adherence to and insistance upon the high ideals of sportsmanship in his every contact with football, and with life;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

1. That this House of Representatives honors Coach Frank Camp for his successful career as a football coach, and most particularly for his continuing example of sportsmanship in its finest sense for every young man and woman of this Commonwealth.

2. That the Clerk is directed to send an attested copy of this Resolution to Coach Camp, and one each to Dr. Woodrow

Strickler, President, and to Coach "Peck" Hickman, Athletic Director, University of Louisville, so that they may know that this House shares their high esteem for this fine gentleman.

Representative Kenton moved the adoption of **HR 107.** Agreed.

HR 107, A RESOLUTION commending the work of the Manchester Center, Inc., of Lexington, Kentucky.

WHEREAS, Manchester Center, Inc., is a settlement house, dedicated to social welfare and recreational work; and

WHEREAS, this racially integrated facility provides aid in the fields of health, education, social action, recreation and scouting to persons in Lexington and Fayette County who are economically deprived; and

WHEREAS, at present 406 families, composed of persons of all ages, are capably served by this United Community Fund agency, which employes a director and five other employes who work under the direction of a board of directors composed of persons from all parts of Fayette County, including the area being served; and

WHEREAS, Manchester Center, Inc. was organized and is maintained to fill social service needs not adequately filled by city and county agencies, by working on a personal family basis from a permanent establishment located in the area where the services are requested and provided.

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

Section 1. That Manchester Center, Inc., Lexington, Kentucky, be and it hereby is praised and commended for its outstanding contribution to the citizens of Lexington and Fayette County in the field of social welfare and recreation.

Section 2. That the Clerk of the House of Representatives be and he is hereby directed to mail a copy of this resolution to Mrs. Doris Winsett, Executive Director, Manchester Center, Inc., 1026 Manchester Street, Lexington, Kentucky.

Representative Yocom moved that **SB 152** be taken from the Committee on Health and Welfare and given a first reading.

Representative McBrayer moved the adoption of the Previous Question on the motion to take **SB 152** from Committee. Agreed.

On the roll call the vote was yeas 29—Blandford, Carter, Chapman, Conn, Deskins, Donnermeyer, Freeman, Graves, John O. Hardin, Hinkle, Isler, Kenton, Kidd, Kleier, Lewis, Lindsay, Lovins, McBride, May, Mershon, Miller, Priddy, Rickert, Ruh, Siemens, Van Horn, Wible, Wyatt, Yocom. Nays 10—Allen, Keene, Kessinger, Nett, Osborne, Paxton, Peak, Roberts, Stuart, West.

The motion that **SB 152** be taken from the Committee on Health and Welfare and given a first reading was rejected.

Report of Committees (Continued)

The Committee on Rules reported **HB 50, SB 252, SB 294, SB 298, SB 305, SB 340, SB 357, SR 58, HR 120, HR 121, HR 122, SB 89, HB 490, SB 15, SB 23, SB 156, SB 169, SB 179, SB 226,** and **SB 284** have been posted for passage in Orders of the Day, March 18, 1970.

Representative DeMarcus moved that the Rules be suspended to take **HB 50,** with Committee Amendment attached thereto, from Orders of the Day and place it upon its passage.

On the roll call the vote was yeas 55—Arnett, Baker, Blandford, Bleemel, Blume, Blythe, Hershel Brown, Bruce, Carter, Chapman, Clarke, Conn, Curlin, James A. Davis, Walter Davis, DeMarcus, Dorris, Durham, John O. Hardin, Head, Hinkle, Holloway, Hughes, Isler, Keene, Kidd, Kleier, Knuckles, Lewis, Lindsay, McCann, McKinney, May, Mershon, Miller, Osborne, Parish, Paxton, Rattliff, Ray, Reed, Rickert, Ruh, Schmidt, Siemens, Simmons, Stuart, Tobin, Wenz, West, Glenn White, John E. White, Wible, Wyatt, Yocom. Nays 14—Alexander, E. G. Brown, Clapp, Graves, Lovins, McBrayer, McBride, Peak, Pollitte, Prather, Salyers, Swinford, Van Horn, Wells.

The motion that the Rules be suspended to take **HB 50,** with Committee Amendment attached thereto, from Orders of the Day and place it upon its passage was adopted.

HB 50, with Committee Amendment attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative DeMarcus moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative DeMarcus moved that the Committee Amendment to **HB 50** be withdrawn. Agreed.

On the roll call the vote was yeas 61—Allen, Baker, Blandford, Blume, Blythe, Archie Brown, Hershel Brown, Carter, Chapman, Clarke, Collins, Conn, Curlin, James A. Davis, Walter Davis, DeMarcus, Deskins, Donnermeyer, Durham, Freeman, Graves, John O. Hardin, L. T. Hardin, Head, Hinkle, Holloway, Hughes, Isler, Keene, Kidd, Knuckles, Lewis, Lindsay, McBride, McCann, May, Mershon, Miller, Murphy, Nett, Osborne, Parish, Paxton, Peak, Priddy, Rattliff, Ray, Ruh, Schmidt, Sharpe, Siemens, Simmons, Stuart, Swinford, Tobin, West, Glenn White, John E. White, Wible, Wyatt, Yocom. Nays 5—Alexander, Bleemel, Clapp, Lovins, Van Horn.

HB 50 was passed and the title agreed to.

Representative DeMarcus moved that the vote by which **HB 50** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

Report on Enrolled Bills

The Committee on Enrollment reported **SB 35, SB 24, SB 138, SB 149, SB 172, SB 191** and **SB 150** had been examined and found correctly enrolled. **SB 35, SB 24, SB 138, SB 149, SB 172, SB 191** and **SB 150** read at length, compared and signed in open session by the Speaker. Ordered delivered to the Senate.

Orders of the Day

Representative McBrayer moved that **HB 225** be recommitted to the Committee on Labor and Industry. Agreed.

Representative McBrayer moved that **SB 228** be substituted for **HB 369**. Agreed.

SB 228 taken from Orders of the Day and ordered read at length for the third time. Representative McBrayer moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

On the roll call the vote was yeas 83—Allen, Arnett, Baker, Bartley, Blandford, Blume, Blythe, Archie Brown, Hershel Brown, Bruce, Carter, Chapman, Clapp, Clarke, Collins, Conn, Curlin, James A. Davis, Walter Davis, Deskins, Donnermeyer, Dorris, Durham, Freeman, Graves, Haney, L. T. Hardin, Head, Hinkle, Holloway, Hughes, Isler, Keene, Keith, Kenton, Kessinger, Kidd, King, Kleier, Knuckles, Lewis, Lindsay, Louden, Lovins, McBrayer, McBride, McCann, McKinney, McNamara, Massey, May, Mershon, Miller, Mitchell, Nett, Osborne, Parish, Paxton, Peak, Pollitte, Prather, Priddy, Ray, Reed, T. P. Reynolds, W. J. Reynolds, Ruh, Salyers, Schmidt, Sharpe, Siemens, Simmons, Stuart, Swinford, Tobin, Van Horn, Wenz, West, John E. White, Wible, Wright, Wyatt, Yocom. Nays 0.

SB 228 was passed and the title agreed to.

Representative Holloway moved that the vote by which **SB 228** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

Representative McBrayer moved that **SB 274** be substituted for **HB 587.** Agreed.

SB 274 taken from Orders of the Day and ordered read at length for the third time. Representative McBrayer moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

On the roll call the vote was yeas 48—Baker, Blandford, Blume, Blythe, Archie Brown, Bruce, Chapman, Clarke, Conn, Curlin, Donnermeyer, L. T. Hardin, Head, Hinkle, Isler, Keene, Keith, Kenton, Kleier, Knuckles, Lindsay, McBrayer, McBride, McCann, McKinney, McNamara, Massey, Mershon, Miller, Mitchell, Nett, Osborne, Peak, Prather, Priddy, W. J. Reynolds, Rickert, Ruh, Schmidt, Sharpe, Siemens, Stuart, Swinford, Tobin, Van Horn, Wenz, West, Glenn White, Wible, Yocom. Nays 22—Arnett, H. Brown, Bruce, Clapp, Collins, J. Davis, Durham, Freeman, Graves, Holloway, Hughes, Kessinger, King, Lewis, Lovins, McKinney, Parish, Paxton, Pollitte, Rattliff, Ray, Salyers.

SB 274 was passed and the title agreed to.

Representative McBrayer moved that the vote by which **SB 274** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

Representative McBrayer moved that **HB 625** be recommitted to the Committee on State Government. Agreed.

HR 99 taken from Orders of the Day. Representative McBrayer moved that it be placed upon its passage. Agreed.

Representative Kenton moved the adoption of **HR 99.** Agreed.

HR 99, A RESOLUTION requesting agencies of state government to develop the eastern Kentucky area.

WHEREAS, the eastern area of the Commonwealth of Kentucky is in an extremely depressed condition economically; and

WHEREAS, loss of population and decline of income has made local efforts at development only partially successful; and

WHEREAS, the area is potentially self-supporting, if proper development of all its assets were carried through; and

WHEREAS, rehabilitation of the land and its people is a present possibility, if the state gives aid in the form of flood control, highway construction, and development of recreational areas and of industrial job opportunities;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

Section 1. That all development agencies of the government of the Commonwealth of Kentucky, including but not limited to, the Department of Commerce, the Program Development office, the Department of Highways, the Department of Parks, the Department of Natural Resources, the Department of Mines and Minerals, and the Industrial Finance Authority, shall work in diligent and concerted efforts to effect changes in the economy of eastern Kentucky, aiming at the goal of changing the economic status of the area from "depressed" to "self-supporting."

Section 2. That the Clerk of the House of Representatives is directed to send copies of this resolution to the various governmental agencies named in Section 1 of this resolution.

Section 3. That these agencies report to the 1972 Session of the General Assembly on the progress made in this area.

Representative McBrayer moved that **HB 639** be recommitted to the Committee on Judiciary. Agreed.

Representative McBrayer moved that **HB 684** be recommitted to the Committee on Banking and Insurance. Agreed.

Representative McBrayer moved that **HB 663** be recommitted to the Committee on Business Organizations and Professions. Agreed.

Representative McBrayer moved that **HB 699** be recommitted to the Committee on Judiciary. Agreed.

Representative McBrayer moved that **HB 471** be recommitted to the Committee on Judiciary. Agreed.

Representative McBrayer moved that **HB 558** be recommitted to the Committee on Health and Welfare. Agreed.

Representative McBrayer moved that consideration of **HB 555** and **SB 303** be deferred and that they retain their position in Orders of the Day. Agreed.

SB 167 taken from Orders of the Day and ordered read at length for the third time. Representative McBrayer moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Louden moved the adoption of the following Amendment to **SB 167:**

Amend printed copy of Senate Bill 167 on page 6, lines 10 and 11, by striking all words after "Section 7." and substituting therefor the words "Section 243.190 of the Kentucky Revised Statutes is repealed."

Agreed.

On the roll call the vote was yeas 65—Allen, Baker, Bartley, Blandford, Blume, Blythe, Archie Brown, Hershel Brown, Carter, Chapman, Clarke, Conn, Curlin, DeMarcus, Deskins, Donner-

meyer, Durham, Graves, Haney, L. T. Hardin, Head, Holloway, Hughes, Isler, Keene, Keith, Kenton, Kessinger, King, Knuckles, Lewis, Lindsay, McBrayer, McBride, McCann, McKinney, Massey, May, Mershon, Miller, Mitchell, Nett, Osborne, Paxton, Prather, Priddy, Ray, Reed, T. P. Reynolds, W. J. Reynolds, Rickert, Ruh, Salyers, Schmidt, Sharpe, Simmons, Swinford, Van Horn, Wenz, West, John E. White, Wible, Wright, Wyatt, Yocom. Nays 0.

SB 167 as amended was passed and the title agreed to.

Representative McBrayer moved that the vote by which **SB 167** as amended was passed be reconsidered and said motion be postponed indefinitely. Agreed.

SB 283 taken from Orders of the Day and ordered read at length for the third time. Representative McBrayer moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

On the roll call the vote was yeas 81—Allen, Arnett, Baker, Bartley, Blandford, Blume, Blythe, Archie Brown, Edward G. Brown, Hershel Brown, Bruce, Carter, Chapman, Clarke, Collins, Conn, Curlin, James A. Davis, DeMarcus, Deskins, Donnermeyer, Dorris, Durham, Freeman, Graves, Haney, L. Hardin, Head, Holloway, Hughes, Isler, Keene, Kenton, Kessinger, King, Kleier, Knuckles, Lewis, Lindsay, Lovins, McBrayer, McBride, McCann, McKinney, McNamara, Massey, May, Mershon, Miller, Mitchell, Nett, Osborne, Parish, Paxton, Peak, Pollitte, Prather, Priddy, Rattliff, Ray, Reed, T. P. Reynolds, W. J. Reynolds, Rickert, Ruh, Salyers, Schmidt, Sharpe, Siemens, Simmons, Swinford, Tobin, Van Horn, Wells, Wenz, West, John E. White, Wible, Wright, Wyatt, Yocom. Nays 0.

SB 283 was passed and the title agreed to.

Representative McBrayer moved that the vote by which **SB 283** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

SB 290 taken from Orders of the Day and ordered read at length for the third time. Representative McBrayer moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

On the roll call the vote was yeas 41—Alexander, Blandford, Blume, Archie Brown, Bruce, Chapman, Clarke, Conn, Curlin, Deskins, Graves, John O. Hardin, Head, Hinkle, Isler, Keene, Kleier, Knuckles, Lewis, Lovins, McBride, McCann, May, Mershon, Mitchell, Nett, Paxton, Peak, Prather, Priddy, Reed, T. P. Reynolds, W. J. Reynolds, Rickert, Ruh, Siemens, Swinford, Van Horn, Wible, Wyatt, Yocom. Nays 25—Arnett, Bartley, H. Brown, Collins, J. Davis, DeMarcus, L. Hardin, Holloway, Hughes, Keith, Kessinger, King, Lindsay, Louden, Miller, Osborne, Ray, Salyers, Sharpe, Simmons, Wenz, West, G. White, J. White, Wright.

SB 290 was passed and the title agreed to.

Representative McBrayer moved that the vote by which **SB 290** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

SB 7 taken from Orders of the Day and ordered read at length for the third time. Representative McBrayer moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

On the roll call the vote was yeas 69—Alexander, Allen, Arnett, Baker, Bartley, Blume, Blythe, Archie Brown, Edward G. Brown, Hershel Brown, Bruce, Chapman, Conn, Curlin, James A. Davis, Deskins, Dorris, Graves, Haney, John O. Hardin, L. T. Hardin, Hinkle, Hughes, Isler, Keene, Keith, Kessinger, King, Kleier, Knuckles, Lewis, Lindsay, Louden, Lovins, McBrayer, McBride, McCann, McNamara, Massey, May, Mershon, Miller, Mitchell, Nett, Osborne, Parish, Paxton, Peak, Pollitte, Prather, Priddy, Rattliff, T. P. Reynolds, W. J. Reynolds, Rickert, Salyers, Siemens, Simmons, Swinford, Tobin, Van Horn, Wenz, West, Glenn White, John E. White, Wible, Wright, Wyatt, Yocom. Nays 0.

SB 7 was passed and the title agreed to.

Representative McBrayer moved that the vote by which **SB 7** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

SB 67 taken from Orders of the Day and ordered read at length for the third time. Representative McBrayer moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

On the roll call the vote was yeas 81—Alexander, Allen, Arnett, Baker, Bartley, Blandford, Blume, Blythe, Archie Brown, Hershel Brown, Carter, Chapman, Clarke, Conn, Curlin, James A. Davis, Walter Davis, Deskins, Dorris, Freeman, Graves, Haney, John O. Hardin, L. T. Hardin, Head, Hinkle, Holloway, Hughes, Isler, Keene, Kenton, Kessinger, King, Kleier, Knuckles, Lewis, Lindsay, Louden, Lovins, McBrayer, McBride, McCann, McKinney, McNamara, Massey, May, Mershon, Miller, Mitchell, Nett, Osborne, Parish, Paxton, Peak, Pollitte, Prather, Priddy, Rattliff, Ray, Reed, T. P. Reynolds, W. J. Reynolds, Rickert, Ruh, Salyers, Schmidt, Sharpe, Siemens, Simmons, Stuart, Swinford, Tobin, Van Horn, Wenz, West, Glenn White, John E. White, Wible, Wright, Wyatt, Yocom. Nays 0.

SB 67 was passed and the title agreed to.

Representative McBrayer moved that the vote by which **SB 67** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

SB 259 taken from Orders of the Day and ordered read at length for the third time. Representative McBrayer moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

On the roll call the vote was yeas 51—Baker, Bartley, Blandford, Blume, Blythe, Carter, Chapman, Clapp, Clarke, Conn, Curlin, Walter Davis, DeMarcus, Dorris, Graves, Haney, Head, Hinkle, Isler, Keene, Kenton, Kessinger, King, Kleier, Knuckles, Lewis, Lindsay, Louden, McBrayer, McBride, McCann, May, Mershon, Miller, Mitchell, Nett, Osborne, Parish, Paxton, Peak, Prather, Ray, W. J. Reynolds, Rickert, Ruh, Sharpe, Swinford, Wenz, Glenn White, John E. White, Wible. Nays 9—Alexander, Bruce, Freeman, Hughes, Keith, Lovins, Salyers, Van Horn, West.

SB 259 was passed and the title agreed to.

Representative McBrayer moved that the vote by which **SB 259** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

SB 304 taken from Orders of the Day and ordered read at length for the third time. Representative Lindsay moved that

it be read by title only and placed upon its passage. Agreed by a majority of members elected.

On the roll call the vote was yeas 55—Baker, Bartley, Blume, Blythe, Bruce, Carroll, Carter, Chapman, Clapp, Conn, Curlin, DeMarcus, Deskins, Dorris, Durham, Haney, John O. Hardin, L. T. Hardin, Hinkle, Holloway, Keene, Keith, Kessinger, Kleier, Knuckles, Lewis, Louden, McBrayer, McBride, McCann, McNamara, Massey, May, Miller, Mitchell, Murphy, Nett, Osborne, Parish, Prather, Rattliff, T. P. Reynolds, W. J. Reynolds, Rickert, Schmidt, Sharpe, Siemens, Simmons, Stuart, Swinford, Tobin, West, John E. White, Wibble, Wyatt. Nays 29—Alexander, Arnett, Blandford, A. Brown, H. Brown, J. Davis, Freeman, Graves, Head, Hughes, Isler, Kenton, King, Lindsay, Lovins, McKinney, Mershon, Paxton, Peak, Pollitte, Priddy, Ray, Reed, Ruh, Salyers, Von Horn, Wenz, G. White, Yocom.

SB 304 was passed and the title agreed to.

Representative Lindsay moved that the vote by which **SB 304** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

SB 261 taken from Orders of the Day and ordered read at length for the third time. Representative Lindsay moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

On the roll call the vote was yeas 66—Allen, Arnett, Baker, Blandford, Blume, Blythe, Carroll, Chapman, Clarke, Conn, Curlin, Deskins, Dorris, Durham, Graves, Haney, John O. Hardin, L. T. Hardin, Head, Hinkle, Hughes, Isler, Keene, Kenton, Kessinger, King, Kleier, Knuckles, Lewis, Lindsay, Louden, McBrayer, McBride, McCann, McKinney, Massey, May, Mershon, Miller, Mitchell, Murphy, Nett, Osborne, Parish, Peak, Prather, Priddy, Rattliff, Ray, T. P. Reynolds, W. J. Reynolds, Rickert, Ruh, Schmidt, Siemens, Simmons, Swinford, Tobin, Wenz, West, Glenn White, John E. White, Wible, Wright, Wyatt, Yocom. Nays 13—Alexander, A. Brown, Bruce, Clapp, J. Davis, Freeman, Keith, Lovins, Paxton, Pollitte, Salyers, Sharpe, Van Horn.

SB 261 was passed and the title agreed to.

Representative Lindsay moved that the vote by which **SB 261**

was passed be reconsidered and said motion be postponed indefinitely. Agreed.

SR 36 taken from Orders of the Day and ordered read at length for the third time. Representative Lindsay moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

On the roll call the vote was yeas 66—Alexander, Allen, Baker, Blandford, Archie Brown, Bruce, Carroll, Chapman, Clapp, Clarke, Conn, James A. Davis, Deskins, Dorris, Durham, Graves, Haney, John O. Hardin, L. T. Hardin, Head, Hinkle, Holloway, Hughes, Isler, Keene, Keith, Kenton, Kessinger, King, Kleier, Lewis, Lindsay, Louden, McBrayer, McCann, McKinney, McNamara, May, Mershon, Mitchell, Murphy, Osborne, Paxton, Peak, Priddy, Rattliff, Ray, Reed, T. P. Reynolds, Rickert, Salyers, Sharpe, Siemens, Simmons, Stuart, Swinford, Tobin, Van Horn, Wenz, West, Glenn White, John E. White, Wible, Wright, Wyatt, Yocom. Nays 0.

SR 36 was passed and the title agreed to.

Representative Lindsay moved that the vote by which **SR 36** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

Senate Message

Announcing passage of **SB 406, SB 404** and **SB 327.**

SB 193 taken from Orders of the Day and ordered read at length for the third time. Representative Lindsay moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

On the roll call the vote was yeas 78—Alexander, Allen, Baker, Blandford, Archie Brown, Edward G. Brown, Hershel Brown, Bruce, Carroll, Chapman, Clapp, Clarke, Conn, Curlin, James A. Davis, Deskins, Dorris, Durham, Freeman, Graves, Haney, John O. Hardin, L. T. Hardin, Head, Hinkle, Holloway, Hughes, Isler, Keene, Keith, Kenton, Kessinger, King, Kleier, Knuckles, Lewis, Lindsay, Louden, Lovins, McBrayer, McBride, McCann, McKinney, McNamara, Massey, May, Mershon, Miller,

Mitchell, Murphy, Nett, Osborne, Paxton, Peak, Pollitte, Prather, Priddy, Rattliff, Ray, T. P. Reynolds, W. J. Reynolds, Ruh, Salyers, Schmidt, Sharpe, Siemens, Simmons, Swinford, Tobin, Van Horn, Wells, Wenz, West, Glenn White, John E. White, Wible, Wyatt, Yocom. Nays 0.

SB 193 was passed and the title agreed to.

Representative Lindsay moved that the vote by which **SB 193** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

SB 311 taken from Orders of the Day and ordered read at length for the third time. Representative Lindsay moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

On the roll call the vote was yeas 78—Alexander, Allen, Baker, Blandford, Archie Brown, Edward G. Brown, Hershel Brown, Bruce, Carroll, Carter, Chapman, Clapp, Clarke, Conn, Curlin, DeMarcus, Deskins, Dorris, Durham, Freeman, Graves, Haney, John O. Hardin, L. T. Hardin, Head, Hinkle, Holloway, Isler, Keene, Keith, Kenton, Kleier, Knuckles, Lewis, Lindsay, Lovins, McBrayer, McBride, McCann, McKinney, McNamara, Massey, May, Mershon, Miller, Mitchell, Murphy, Nett, Osborne, Parish, Paxton, Peak, Pollitte, Prather, Priddy, Rattliff, Ray, Reed, T. P. Reynolds, W. J. Reynolds, Ruh, Salyers, Schmidt, Sharpe, Siemens, Simmons, Stuart, Swinford, Tobin, Van Horn, Wells, Wenz, Glenn White, John E. White, Wible, Wright, Wyatt, Yocom. Nays 0.

SB 311 was passed and the title agreed to.

Representative Lindsay moved that the vote by which **SB 311** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HR 116 taken from Orders of the Day. Representative Lindsay moved that it be placed upon its passage. Agreed.

Representative Rattliff moved the adoption of **HR 116.** Agreed.

HR 116, A RESOLUTION requesting the construction of Highway 55 from the Bluegrass Parkway through the South Central Kentucky Area.

WHEREAS, the South Central Kentucky Area has been isolated by the absence of a major through highway; and

WHEREAS, the future development of the industrial and tourist potential of this area would be of substantial benefit to the entire Commonwealth; and

WHEREAS, the completion of Highway 55 would connect the Lake Cumberland and Green River Reservoir areas of South Central Kentucky with the Bluegrass Parkway; and

WHEREAS, the advanced engineering and design work has been completed on most sections of Highway 55 in South Central Kentucky;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

Section 1. That the Department of Highways of the Commonwealth of Kentucky be requested to proceed as soon as possible with the construction and completion of Highway 55 from South Central Kentucky to the Bluegrass Parkway.

Section 2. That copies of this Resolution be sent by the Clerk of the House of Representatives to the Governor and the Commissioner of the Department of Highways of the Commonwealth of Kentucky.

HB 652 taken from Orders of the Day and ordered read at length for the third time. Representative Lindsay moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

On the roll call the vote was yeas 64—Alexander, Arnett, Baker, Blandford, Archie Brown, Carroll, Carter, Chapman, Clapp, Clarke, Conn, Curlin, Walter Davis, Deskins, Dorris, Graves, Haney, John O. Hardin, Head, Hinkle, Isler, Keene, Kenton, Kessinger, Kidd, King, Kleier, Knuckles, Lewis, Lindsay, McBrayer, McBride, McNamara, Massey, May, Mershon, Miller Mitchell, Nett, Osborne, Parish, Paxton, Peak, Pollitte, Prather, Priddy, Rattliff, Ray, W. J. Reynolds, Rickert, Roberts, Ruh, Sharpe, Siemens, Swinford, Tobin, Van Horn, Wenz, Glenn White, John E. White, Wible, Wright, Wyatt, Yocom. Nays 7—H. Brown, J. Davis, DeMarcus, Durham, Reed, Simmons, Stuart.

HB 652 was passed and the title agreed to.

Representative Lindsay moved that the vote by which **HB 652** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

SB 230, with Committee Amendment attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative Lindsay moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Ruh moved the adoption of the Committee Amendment to **SB 230.** Agreed.

On the roll call the vote was yeas 86—Alexander, Arnett, Baker, Bartley, Blandford, Archie Brown, Edward G. Brown, Hershel Brown, Bruce, Carroll, Carter, Chapman, Clapp, Clarke, Collins, Conn, Curlin, James A. Davis, Walter Davis, DeMarcus, Deskins, Dorris, Durham, Freeman, Graves, Haney, John O. Hardin, L. T. Hardin, Head, Hinkle, Hughes, Isler, Keene, Keith, Kenton, Kessinger, Kidd, King, Kleier, Knuckles, Lewis, Lindsay, Louden, Lovins, McBrayer, McBride, McCann, McKinney, McNamara, Massey, May, Mershon, Miller, Mitchell, Murphy, Osborne, Parish, Paxton, Peak, Pollitte, Prather, Priddy, Rattliff, Ray, Reed, T. P. Reynolds, W. J. Reynolds, Rickert, Roberts, Ruh, Schmidt, Sharpe, Siemens, Simmons, Stuart, Swinford, Tobin, Van Horn, Wells, Wenz, West, Glenn White, John E. White, Wible, Wright, Wyatt. Nays 0.

SB 230 as amended was passed and the title agreed to.

Representative Lindsay moved that the vote by which **SB 230** as amended was passed be reconsidered and said motion be postponed indefinitely. Agreed.

SB 73 taken from Orders of the Day and ordered read at length for the third time. Representative Lindsay moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

On the roll call the vote was yeas 74—Alexander, Allen, Arnett, Baker, Bartley, Blandford, Archie Brown, Edward G. Brown, Hershel Brown, Bruce, Carroll, Carter, Chapman, Clapp, Clarke, Collins, Conn, Curlin, Deskins, Donnermeyer, Durham, Graves, Haney, John O. Hardin, L. T. Hardin, Head, Hinkle,

Hughes, Isler, Keene, Keith, Kenton, Kessinger, Kidd, King, Kleier, Knuckles, Lewis, Lindsay, Lovins, McBrayer, McBride, McCann, McNamara, Massey, May, Mershon, Miller, Mitchell, Murphy, Osborne, Parish, Paxton, Peak, Prather, Priddy, Ray, Reed, T. P. Reynolds, Rickert, Schmidt, Sharpe, Siemens, Simmons, Swinford, Tobin, Van Horn, Wells, Wenz, Glenn White, John E. White, Wible, Wright, Wyatt. Nays 1—Salyers.

SB 73 was passed and the title agreed to.

Representative Lindsay moved that the vote by which **SB 73** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

SB 91, with Committee Amendment attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative McBrayer moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Lewis moved the adoption of the Committee Amendment to **SB 91.** Agreed.

On the roll call the vote was yeas 60—Alexander, Allen, Arnett, Baker, Blandford, Edward G. Brown, Hershel Brown, Bruce, Carroll, Chapman, Clapp, Clarke, Collins, Curlin, Donnermeyer, Graves, John O. Hardin, Head, Hinkle, Isler, Keene, Keith, Kenton, Kessinger, Kidd, King, Kleier, Knuckles, Lewis, Lindsay, Lovins, McBrayer, McBride, McCann, McNamara, Massey, Mershon, Mitchell, Murphy, Nett, Parish, Paxton, Prather, Priddy, Ray, Reed, W. J. Reynolds, Rickert, Schmidt, Siemens, Swinford, Tobin, Van Horn, Wenz, West, Glenn White, Wible, Wright, Wyatt, Yocom. Nays 0.

SB 91 as amended was passed and the title agreed to.

Representative McBrayer moved that the vote by which **SB 91** as amended was passed be reconsidered and said motion be postponed indefinitely. Agreed.

Recess

Representative McBrayer moved that the House recess for thirty minutes for Committee meetings. Agreed.

At the appointed hour, the Speaker resumed the Chair and called the House to order.

Reference of Bills and Resolutions

The Committee on Committees has referred the following Bills and Resolutions:

Appropriations and Revenue: **SB 406, SB 404** and **SB 327.**

Representative Nett announced he wished to vote "yea" on **SR 36.**

Representative Rickert announced he wished to vote "yea" on **SB 193** and **SB 311.**

Representative Allen announced he wished to vote "nay" on **SB 274.**

Representative Allen announced he wished to vote "yea" on **SB 230.**

Representative Salyers announced he wished to vote "yea" instead of "nay" on **SB 73.**

Speaker Pro Tempore Blume presiding.

Orders of the Day (Continued)

SB 267, with Committee Amendment attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative McBrayer moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Swinford moved the adoption of the Committee Amendment to **SB 267.** Agreed.

Representative McBrayer moved the adoption of the Previous Question on **SB 267.** Agreed.

On the roll call the vote was yeas 52—Baker, Blandford, Blume, Blythe, Carter, Chapman, Clapp, Clarke, Collins, Conn, Curlin, Walter Davis, Donnermeyer, Dorris, John O. Hardin,

Head, Hinkle, Holloway, Hughes, Isler, Keene, Keith, Kenton, Kessinger, Kidd, King, Kleier, Lewis, Lindsay, McBride, McCann, McNamara, Mershon, Parish, Paxton, Peak, Pollitte, Priddy, Rattliff, Ray, Reed, Roberts, Ruh, Schmidt, Siemens, Stuart, Swinford, Tobin, Wenz, John E. White, Wible, Yocom. Nays 20—Alexander, Allen, Arnett, A. Brown, DeMarcus, Deskins, Durham, Freeman, Graves, Knuckles, Lovins, May, Osborne, Prather, T. Reynolds, Salyers, Simmons, Van Horn, West, Wright.

SB 267 as amended was passed and the title agreed to.

Representative McBrayer moved that the vote by which **SB 267** as amended was passed be reconsidered and said motion be postponed indefinitely. Agreed.

SB 303 taken from Orders of the Day and ordered read at length for the third time. Representative McBrayer moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

On the roll call the vote was yeas 62—Alexander, Allen, Arnett, Baker, Blandford, Blume, Blythe, Carter, Chapman, Conn, Curlin, James A. Davis, Deskins, Donnermeyer, Graves, Haney, Head, Hinkle, Holloway, Isler, Keith, Kenton, Kidd, King, Kleier, Lewis, Lindsay, Lovins, McBrayer, McBride, McCann, McKinney, McNamara, May, Mershon, Miller, Mitchell, Nett, Osborne, Parish, Paxton, Peak, Pollitte, Prather, Priddy, Ray, Reed, T. P. Reynolds, W. J. Reynolds, Ruh, Siemens, Simmons, Stuart, Swinford, Tobin, Van Horn, Wenz, Glenn White, John E. White, Wible, Wright, Yocom. Nays 6—E. G. Brown, H. Brown, Clapp, Freeman, Keene, Wells.

SB 303 was passed and the title agreed to.

Representative McBrayer moved that the vote by which **SB 303** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

SB 351 taken from Orders of the Day and ordered read at length for the third time. Representative McBrayer moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Yocom moved the adoption of the following Amendment to **SB 351:**

Amend printed copy of Senate Bill 351 on page 1, line 5, by:

adding after the word "supplying" the word *"water,";*

and on page 1, line 6, by inserting after the word "heat" the words *", domestic use";*

and on page 1, line 8, by inserting after the word "of" the word *"water,";*

and on page 1, line 12, by inserting after the word "such" the word *"water,";*

and on page 2, line 6, by inserting after the word "such" the word *"water,";*

and on page 2, line 7, by inserting after the word "heat" the words *", domestic use".*

Agreed.

On the roll call the vote was yeas 72—Alexander, Arnett, Bartley, Blandford, Blume, Archie Brown, Edward G. Brown, Hershel Brown, Bruce, Carter, Chapman, Clapp, Conn, James A. Davis, Walter Davis, DeMarcus, Deskins, Donnermeyer, Dorris, Graves, Haney, Head, Hinkle, Holloway, Isler, Keith, Kenton, Kessinger, Kidd, King, Kleier, Lewis, Louden, Lovins, McBrayer, McBride, McCann, McNamara, Massey, May, Mershon, Miller, Mitchell, Murphy, Nett, Osborne, Parish, Paxton, Peak, Pollitte, Prather, Priddy, Rattliff, Ray, Reed, T. P. Reynolds, W. J. Reynolds, Rickert, Ruh, Sharpe, Siemens, Simmons, Stuart, Swinford, Tobin, Van Horn, Wells, Wenz, West, John E. White, Wible, Yocom. Nays 3—Durham, Freeman, Salyers.

SB 351 as amended was passed and the title agreed to.

Representative McBrayer moved that the vote by which **SB 351** as amended was passed be reconsidered and said motion be postponed indefinitely. Agreed.

SB 253, with Committe Amendment attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative McBrayer moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Massey moved the adoption of the Committee Amendment to **SB 253.** Agreed.

On the roll call the vote was yeas 68—Alexander, Arnett, Baker, Bartley, Blandford, Blume, Edward G. Brown, Bruce, Carroll, Carter, Chapman, Clapp, Curlin, Walter Davis, DeMarcus, Deskins, Donnermeyer, Dorris, Durham, Graves, Haney, John O. Hardin, Head, Hughes, Isler, Keene, Keith, Kenton, Kessinger, Kidd, King, Kleier, Knuckles, Lewis, Lindsay, Louden, McBrayer, McBride, McCann, Massey, May, Mershon, Mitchell, Murphy, Nett, Osborne, Parish, Paxton, Peak, Pollitte, Prather, Priddy, Ray, T. P. Reynolds, W. J. Reynolds, Rickert, Ruh, Schmidt, Sharpe, Siemens, Simmons, Stuart, Swinford, Tobin, Wells, Glenn White, John E. White, Wible. Nays 5—H. Brown, Freeman, Hinkle, Van Horn, West.

SB 253 as amended was passed and the title agreed to.

Representative McBrayer moved that the vote by which **SB 253** as amended was passed be reconsidered and said motion be postponed indefinitely. Agreed.

SB 168 taken from Orders of the Day and ordered read at length for the third time. Representative Clarke moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

On the roll call the vote was yeas 87—Alexander, Allen, Arnett, Baker, Bartley, Blandford, Blume, Blythe, Archie Brown, Edward G. Brown, Hershel Brown, Bruce, Carroll, Carter, Chapman, Clapp, Collins, Conn, Curlin, James A. Davis, Walter Davis, DeMarcus, Deskins, Donnermeyer, Dorris, Durham, Freeman, Graves, Haney, John O. Hardin, L. T. Hardin, Head, Hinkle, Holloway, Isler, Keene, Keith, Kenton, Kessinger, Kidd, King, Kleier, Knuckles, Lewis, Lindsay, Louden, McBrayer, McBride, McCann, McKinney, McNamara, May, Mershon, Mitchell, Murphy, Nett, Osborne, Parish, Paxton, Peak, Pollitte, Prather, Priddy, Rattliff, Ray, Reed, T. P. Reynolds, W. J. Reynolds, Rickert, Ruh, Salyers, Schmidt, Sharpe, Siemens, Simmons, Stuart, Swinford, Tobin, Van Horn, Wells, Wenz, West, Glenn White, John E. White, Wible, Wright, Wyatt. Nays 0.

SB 168 was passed and the title agreed to.

Representative Clarke moved that the vote by which **SB 168** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

SB 177 taken from Orders of the Day and ordered read at length for the third time. Representative Clarke moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

On the roll call the vote was yeas 79—Alexander, Allen, Arnett, Baker, Bartley, Blandford, Blume, Edward G. Brown, Hershel Brown, Carroll, Carter, Chapman, Clapp, Collins, Conn, Curlin, Walter Davis, DeMarcus, Deskins, Donnermeyer, Dorris Durham, Freeman, Graves, Haney, John O. Hardin, Head, Hinkle, Holloway, Isler, Keene, Keith, Kenton, Kessinger, Kidd, King, Kleier, Lewis, Lindsay, Louden, Lovins, McBrayer, McBride, McCann, McKinney, McNamara, May, Mershon, Mitchell, Nett, Osborne, Parish, Paxton, Peak, Pollitte, Prather, Priddy, Rattliff, Ray, Reed, T. P. Reynolds, W. J. Reynolds, Rickert, Ruh, Salyers, Schmidt, Sharpe, Siemens, Simmons, Swinford, Tobin, Van Horn, Wells, West, Glenn White, John E. White, Wible, Wright, Wyatt. Nays 0.

SB 177 was passed and the title agreed to.

Representative Clarke moved that the vote by which **SB 177** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

SB 192 taken from Orders of the Day and ordered read at length for the third time. Representative Clarke moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

On the roll call the vote was yeas 67—Alexander, Allen, Arnett, Baker, Blandford, Archie Brown, Edward G. Brown, Bruce, Carroll, Carter, Chapman, Collins, Conn, Curlin, Walter Davis, Deskins, Donnermeyer, Durham, Graves, Haney, John O. Hardin, Head, Hinkle, Holloway, Isler, Keene, Keith, Kenton, Kidd, King, Kleier, Knuckles, Lindsay, Louden, Lovins, McBrayer, McBride, McCann, McNamara, Massey, May, Mershon, Mitchell, Osborne, Peak, Pollitte, Prather, Ray, Reed, T. P. Reynolds, W. J. Reynolds, Rickert, Roberts, Ruh, Salyers, Sharpe, Siemens, Stuart, Swinford, Tobin, Van Horn, Wells, Wenz, Glenn White, Wible, Wright, Wyatt. Nays 3—H. Brown, DeMarcus, Paxton.

SB 192 was passed and the title agreed to.

Representative Clarke moved that the vote by which **SB 192** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

SB 194 taken from Orders of the Day and ordered read at length for the third time. Representative Clarke moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

On the roll call the vote was yeas 57—Alexander, Allen, Baker, Bartley, Blandford, Bruce, Carroll, Carter, Chapman, Curlin, Donnermeyer, Dorris, Freeman, Haney, John O. Hardin, Head, Hinkle, Holloway, Hughes, Isler, Keene, Keith, Kenton, King, Kleier, Knuckles, Lindsay, Louden, Lovins, McBrayer, McBride, McCann, McKinney, Mershon, Mitchell, Osborne, Parish, Paxton, Peak, Pollitte, Prather, Priddy, Reed, T. P. Reynolds, W. J. Reynolds, Rickert, Roberts, Ruh, Salyers, Siemens, Tobin, Van Horn, Wenz, West, John E. White, Wright, Wyatt. Nays 2—Arnett, Collins.

SB 194 was passed and the title agreed to.

Representative Clarke moved that the vote by which **SB 194** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

Representative McBrayer moved that **SB 216** be recommitted to the Committee on Education. Agreed.

SB 215 taken from Orders of the Day and ordered read at length for the third time. Representative McBrayer moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

On the roll call the vote was yeas 72—Alexander, Allen, Arnett, Bartley, Blandford, Blythe, Archie Brown, Edward G. Brown, Hershel Brown, Bruce, Carroll, Carter, Chapman, Clapp, Collins, Curlin, James A. Davis, Walter Davis, DeMarcus, Deskins, Donnermeyer, Dorris, Freeman, Haney, John O. Hardin, L. T. Hardin, Head, Hinkle, Holloway, Hughes, Isler, Keene, Keith, Kenton, Kidd, King, Knuckles, Lindsay, Louden, Lovins, McBrayer, McCann, McNamara, Mershon, Mitchell, Nett, Osborne, Parish, Paxton, Peak, Prather, Priddy, Rattliff, Reed, T. P. Reynolds, W. J. Reynolds, Rickert, Roberts, Ruh, Salyers, Schmidt,

Sharpe, Siemens, Simmons, Stuart, Van Horn, Wenz, West, John E. White, Wright, Wyatt. Nays 0.

SB 215 was passed and the title agreed to.

Representative McBrayer moved that the vote by which **SB 215** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

SB 223 taken from Orders of the Day and ordered read at length for the third time. Representative McBrayer moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

On the roll call the vote was yeas 78—Alexander, Allen, Arnett, Bartley, Blandford, Blythe, Archie Brown, Edward G. Brown, Hershel Brown, Bruce, Carroll, Carter, Chapman, Collins, Curlin, James A. Davis, Walter Davis, DeMarcus, Deskins, Donnermeyer, Dorris, Freeman, Haney, John O. Hardin, L. T. Hardin, Head, Hinkle, Holloway, Hughes, Isler, Keene, Keith, Kenton, Kidd, King, Kleier, Knuckles, Lewis, Lindsay, Louden, Lovins, McBrayer, McBride, McCann, McNamara, Massey, Mershon, Mitchell, Nett, Osborne, Parish, Paxton, Peak, Pollitte, Prather, Priddy, Rattliff, Reed, T. P. Reynolds, W. J. Reynolds, Rickert, Roberts, Ruh, Salyers, Schmidt, Sharpe, Siemens, Simmons, Stuart, Tobin, Van Horn, Wells, Wenz, West, Glenn White, John E. White, Wright, Wyatt. Nays 0.

SB 223 was passed and the title agreed to.

Representative McBrayer moved that the vote by which **SB 223** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

SB 241 taken from Orders of the Day and ordered read at length for the third time. Representative McBrayer moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

On the roll call the vote was yeas 77—Alexander, Allen, Arnett, Baker, Bartley, Blandford, Blume, Blythe, Archie Brown, Edward G. Brown, Hershel Brown, Bruce, Carroll, Carter, Chapman, Clapp, Collins, Curlin, James A. Davis, Deskins, Donnermeyer, Graves, Haney, John O. Hardin, L. T. Hardin, Head, Hinkle, Holloway, Hughes, Isler, Keene, Keith, Kenton, Kidd,

Kleier, Knuckles, Lewis, Lindsay, Louden, Lovins, McBrayer, McBride, McCann, McNamara, Massey, May, Mershon, Mitchell, Osborne, Parish, Paxton, Peak, Pollitte, Prather, Priddy, Rattliff, Ray, Reed, T. P. Reynolds, W. J. Reynolds, Rickert, Ruh, Salyers, Schmidt, Sharpe, Siemens, Simmons, Stuart, Swinford, Tobin, Van Horn, Wenz, West, John E. White, Wible, Wright, Yocom. Nays 0.

SB 241 was passed and the title agreed to.

Representative McBrayer moved that the vote by which **SB 241** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

SB 288 taken from Orders of the Day and ordered read at length for the third time. Representative McBrayer moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

On the roll call the vote was yeas 71—Allen, Baker, Bartley, Blandford, Blume, Blythe, Archie Brown, Edward G. Brown, Hershel Brown, Bruce, Carroll, Carter, Chapman, Clarke, Collins, Curlin, Walter Davis, Deskins, Donnermeyer, Dorris, Durham, Graves, Haney, L. T. Hardin, Head, Hinkle, Isler, Kessinger, Kidd, King, Knuckles, Lewis, Lindsay, Louden, McBrayer, McBride, McCann, McNamara, Massey, May, Mershon, Mitchell, Nett, Parish, Paxton, Peak, Pollitte, Prather, Priddy, Ray, Reed, T. P. Reynolds, W. J. Reynolds, Rickert, Roberts, Ruh, Salyers, Schmidt, Sharpe, Stuart, Swinford, Tobin, Van Horn, Wells, Wenz, Glenn White, John E. White, Wible, Wright, Wyatt, Yocom. Nays 4—Alexander, DeMarcus, Keith, Simmons.

SB 288 was passed and the title agreed to.

Representative McBrayer moved that the vote by which **SB 288** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

SB 320 taken from Orders of the Day and ordered read at length for the third time. Representative McBrayer moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

On the roll call the vote was yeas 85—Alexander, Allen, Arnett, Baker, Bartley, Blandford, Blythe, Archie Brown, Edward

G. Brown, Hershel Brown, Bruce, Carroll, Carter, Chapman, Clapp, Clarke, Curlin, James A. Davis, Walter Davis, DeMarcus, Deskins, Donnermeyer, Dorris, Durham, Freeman, Graves, Haney, John O. Hardin, L. T. Hardin, Head, Hinkle, Holloway, Hughes, Isler, Keene, Keith, Kenton, Kessinger, Kidd, King, Kleier, Knuckles, Lewis, Lindsay, Lovins, McBrayer, McBride, McCann, McKinney, McNamara, Massey, May, Mershon, Mitchell, Murphy, Nett, Parish, Paxton, Peak, Pollitte, Prather, Priddy, Rattliff, Ray, Reed, T. P. Reynolds, W. J. Reynolds, Rickert, Roberts, Ruh, Salyers, Schmidt, Sharpe, Simmons, Stuart, Swinford, Tobin, Van Horn, Wells, West, Glenn White, John E. White, Wible, Wright, Yocom. Nays 0.

SB 320 was passed and the title agreed to.

Representative McBrayer moved that the vote by which **SB 320** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

SB 146 taken from Orders of the Day and ordered read at length for the third time. Representative McBrayer moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

On the roll call the vote was yeas 87—Alexander, Allen, Arnett, Baker, Bartley, Blandford, Blume, Blythe, Edward G. Brown, Hershel Brown, Bruce, Carroll, Carter, Chapman, Clapp, Clarke, Collins, Curlin, James A. Davis, Walter Davis, DeMarcus, Deskins, Donnermeyer, Dorris, Durham, Freeman, Graves, Haney, John O. Hardin, L. T. Hardin, Head, Hinkle, Holloway, Hughes, Isler, Keene, Keith, Kenton, Kessinger, Kidd, King, Kleier, Knuckles, Lewis, Lindsay, Louden, Lovins, McBrayer, McBride, McCann, McKinney, McNamara, Massey, May, Mershon, Mitchell, Murphy, Nett, Parish, Paxton, Peak, Pollitte, Prather, Priddy, Rattliff, Ray, Reed, T. P. Reynolds, W. J. Reynolds, Rickert, Roberts, Salyers, Schmidt, Sharpe, Simmons, Stuart, Swinford, Tobin, Van Horn, Wells, Wenz, West, Glenn White, John E. White, Wible, Wright, Yocom. Nays 0.

SB 146 was passed and the title agreed to.

Representative McBrayer moved that the vote by which **SB 146** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HR 122 taken from Orders of the Day. Representative McBrayer moved that it be placed upon its passage. Agreed.

Representative Donnermeyer moved the adoption of **HR 122.** Agreed.

HR 122, A RESOLUTION honoring the City of Belllevue, Kentucky and commemorating the 100th anniversary of its founding.

WHEREAS, the northernmost portion of the Commonwealth contains many areas which are rich in the early history of our state and its people; and

WHEREAS, among the earliest of communities in the area is the City of Bellevue, and

WHEREAS, since its founding on the 15th day of March, 1870, Bellevue has been a progressive and forward looking city as witnessed by

1. The building of its first school only one short year after its incorporation

2. The building of Sacred Heart Church two years later

3. Its Queen City Beach being a recreation spot for the entire northern Kentucky-Cincinnati area for many years, and

WHEREAS, during the period of its growth the City of Bellevue has not stood still but has made great advances which place it high on any list of modern Kentucky cities in having

1. Modern public elementary, secondary, and high schools

2. Two elementary parochial schools

3. Up-to-date police and fire departments

4. The only fire department in northern Kentucky with a "snorkel" truck

5. The only transfer station for waste disposal in Kentucky which allows elimination of the city dump and the incinerator; and

WHEREAS, this year the City of Bellevue begins its second century as a vital contributing member city of the Commonwealth

NOW, THEREFORE

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

Section 1. That the House of Representatives of the General Assembly of the Commonwealth of Kentucky does hereby recognize a century of leadership and achievement by the City of Bellevue, Kentucky and extends to the city, its leaders, and its residents the best wishes of the General Assembly for an equally prosperous second century and beyond.

Section 2. That copies of this resolution, duly attested, be sent to the mayor, members of city council, and centennial celebration officials of the City of Bellevue by the Clerk of this House.

SB 252 taken from Orders of the Day and ordered read at length for the third time. Representative McBrayer moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

On the roll call the vote was yeas 77—Alexander, Allen, Baker, Bartley, Blandford, Blythe, Archie Brown, Edward G. Brown, Hershel Brown, Bruce, Carroll, Chapman, Clapp, Clarke, Curlin, Walter Davis, DeMarcus, Deskins, Donnermeyer, Dorris, Durham, Graves, Haney, John O. Hardin, L. T. Hardin, Head, Hinkle, Holloway, Hughes, Isler, Keene, Keith, Kenton, Kessinger, Kidd, King, Knuckles, Lewis, Lindsay, Louden, McBrayer, McBride, McCann, McNamara, May, Mershon, Mitchell, Murphy, Osborne, Parish, Paxton, Peak, Pollitte, Rattliff, Ray, Reed, T. P. Reynolds, W. J. Reynolds, Rickert, Roberts, Ruh, Salyers, Schmidt, Sharpe, Siemens, Simmons, Stuart, Swinford, Tobin, Van Horn, Wells, West, Glenn White, John E. White, Wible, Wright, Yocom. Nays 0.

SB 252 was passed and the title agreed to.

Representative McBrayer moved that the vote by which **SB 252** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

SB 298 taken from Orders of the Day and ordered read at length for the third time. Representative McBrayer moved that

it be read by title only and placed upon its passage. Agreed by a majority of members elected.

On the roll call the vote was yeas 84—Alexander, Allen, Arnett, Baker, Bartley, Blandford, Blume, Blythe, Archie Brown, Edward G. Brown, Hershel Brown, Bruce, Carroll, Chapman, Clapp, Clarke, Collins, Conn, Curlin, James A. Davis, Walter Davis, Deskins, Donnermeyer, Dorris, Durham, Graves, Haney, John O. Hardin, L. T. Hardin, Head, Hinkle, Holloway, Hughes, Isler, Keene, Keith, Kenton, Kessinger, Kidd, King, Kleier, Knuckles, Lewis, Louden, Lovins, McBrayer, McBride, McCann, McKinney, McNamara, Massey, May, Mershon, Mitchell, Murphy, Parish, Paxton, Peak, Pollitte, Prather, Priddy, Rattliff, Ray, Reed, T. P. Reynolds, W. J. Reynolds, Roberts, Ruh, Salyers, Schmidt, Sharpe, Siemens, Simmons, Stuart, Swinford, Tobin, Van Horn, Wells, Wenz, West, Glenn White, John E. White, Wible, Wright. Nays 0.

SB 298 was passed and the title agreed to.

Representative McBrayer moved that the vote by which **SB 298** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

Senate Message

Announcing passage of **HB 64, HB 71, HB 223, HB 351, HB 659, HB 253, HB 356** and **HB 11** with Amendment.

SB 357 taken from Orders of the Day and ordered read at length for the third time. Representative McBrayer moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

On the roll call the vote was yeas 83—Allen, Arnett, Baker, Blandford, Blume, Archie Brown, Edward G. Brown, Hershel Brown, Carroll, Chapman, Clapp, Clarke, Collins, Conn, Curlin, James A. Davis, Walter Davis, DeMarcus, Deskins, Donnermeyer, Dorris, Durham, Freeman, Haney, John O. Hardin, L. T. Hardin, Head, Hinkle, Holloway, Hughes, Isler, Keene, Keith, Kenton, Kidd, King, Kleier, Knuckles, Lewis, Lindsay, Louden, Lovins, McBrayer, McCann, McKinney, McNamara, Massey, May, Mer-

shon, Mitchell, Murphy, Nett, Osborne, Parish, Paxton, Peak, Pollitte, Prather, Priddy, Rattliff, Ray, Reed, T. P. Reynolds, W. J. Reynolds, Rickert, Roberts, Ruh, Salyers, Schmidt, Sharpe, Siemens, Simmons, Stuart, Swinford, Tobin, Van Horn, Wells, West, Glenn White, John E. White, Wible, Wright, Yocom. Nays 0.

SB 357 was passed and the title agreed to.

Representative McBrayer moved that the vote by which **SB 357** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

Recess

Representative McBrayer moved that the House recess for Committee meetings; and, when the House adjourns it do so by voice vote to reconvene at 10:00 a.m., Thursday, March 19, 1970. Agreed.

The Speaker resumed the Chair and called the House to order.

Representative McBrayer moved that the Rules be suspended for Report of Committees. Agreed.

Report of Committees

The Committee on Appropriations and Revenue reported **SB 227** with Committee Amendment attached thereto, **SB 327, SB 404, SB 406, SB 402** and **SB 371** with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

SB 227, AN ACT relating to pay of jurors.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Section 29.390 of the Kentucky Revised Statutes is amended to read as follows:

(1) Grand jurors and petit jurors in circuit court shall each

be paid *$12.80* [five dollars] per day for jury service. Persons whose names are on the jury list for jury service in circuit court, or are summoned under KRS 29.280 to supply a deficiency, who appear in person in court in response to summons, who reside outside the corporate limits of the city in which the court sits, and who do not claim exemption or ask to be relieved from jury service, shall receive *$12.80* [five dollars] per day for each day they are required to be and are in attendance, even though they are not sworn or accepted for jury service.

(2) When kept together overnight in custody of the sheriff, petit jurors shall receive *$12.80* [five dollars] additional for each night they are kept together.

(3) In courts inferior to the circuit court, except in counties containing a city of the second class, each juror shall be paid one dollar and fifty cents for each case in which he serves, but if the same juror serves on more than two juries in one day he shall not be allowed a fee for the cases in excess of two.

(4) In courts inferior to the circuit court, in counties containing a city of the second class, each juror shall be paid one dollar and fifty cents for each case in which he serves, but if the same juror serves on more than two juries in one day he shall not be allowed a fee for the cases in excess of two.

The Committee Amendment to **SB 227** is as follows.

Amend printed copy of Senate Bill 227 on page 2, line 12, by:

inserting after the words "excess of two." the following language. To provide the revenue for which the State is responsible in carrying out the purposes of this Act, for the fiscal year of 1970-71 and 1971-72 there is hereby appropriated those moneys recovered by the Attorney General in federal anti-trust suits brought on behalf of the state which are not otherwise appropriated by law.

SB 327, AN ACT relating to capital outlays of the Department of Corrections.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Section 56.491 of the Kentucky Revised Statutes is amended to read as follows:

(1) No state agency shall have the power or authority to make plans and specifications, advertise for bids, let contracts or incur any financing commitments, either in the way of a charge against public funds or in the way of negotiations for issuance of revenue bonds, for any capital construction projects involving the improvement of lands or the construction, alteration, reconstruction, or major repair of any building or other structure, or sewage disposal or water supply system, requiring the expenditure of more than $12,000 without first securing the approval of the Department of Finance.

(2) The state agency seeking such approval shall submit to the Department of Finance a general description of the proposed project, with such detailed information as the department may require. The department shall not approve any such project requiring its approval in any instance where it finds that the project is not needed, or that the proposed method of financing is not sound, or in cases where the project will exceed the amount of the funds available therefor, or the work contemplated will be insufficient to accomplish the purpose of the project, or that after providing for the ordinary recurring expenses of government and debt service and for payments under existing allotments for extraordinary expenses and capital outlay, cash will not be available in the State Treasury to promptly pay for the work during the biennium, or except as provided in subsection (5) that the work is to be done by employes of the agency.

(3) The finding of the Department of Finance shall be final, except in cases where the issuance and sale of bonds is proposed, in which cases the department shall submit its findings to the commission for final approval, modification, or disapproval.

(4) Any capital construction project, the total cost of completion of which the Department of Finance determines will exceed $12,000, shall be contracted for on a competitive bid basis, and the execution of such contracts must be approved and authorized by the department. When a capital construction project has been approved as provided in this section, in whole or in part, the department shall prepare the plans and specifications, advertise for bids, award the contracts, supervise the construction and handle the financial negotiations on behalf of the requesting agency, or with prior written approval, the department may au-

thorize a state agency to do so with delegated authority of the department.

(5) A capital construction project, the total cost of completion of which the Department of Finance determines will be less than $12,000, may be performed by the regular employes of the requesting agency; provided, however, that the project must be approved and authorized by the department. Necessary materials and supplies shall be procured in accordance with the standard purchasing procedures and policies of the department as defined in KRS Chapter 45.

(6) This section does not apply to capital outlays to the Department of Highways for roads and bridges.

(7) This section shall not apply to capital outlays by the Department of Corrections for repair, maintenance, improvement, or expansion of present correctional facilities on which projects inmates are used. Any capital construction project to be performed by the Department of Corrections shall be approved and authorized by the Department of Finance.

SB 404, AN ACT establishing the Office of State Curator.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section I. There shall be established an Office of State Curator in the Department of Finance to preside over the preservance, restoration, acquisition and conservation of all decorations, objects of art, chandeliers, china, silver, statues, paintings, furnishings, accoutrements and other aesthetic materials that have been accured, donated, loaned and otherwise obtained by the Commonwealth of Kentucky for the Executive Mansion, the Old Governor's Mansion, and other state shrines and state historic homes.

Section II.

(1) The State Curator shall be a person highly qualified in administration, history, the history of art and design, and curatorship.

(2) The Curator will be selected by an eminently qualified ad hoc committee of three members appointed by the Governor.

(3) Of the members first appointed by the Governor, one shall serve until July 1, 1972; one shall serve until July 1, 1974; and one shall serve until July 1, 1976. Thereafter, each term of the members shall run for six years from the date of expiration of the term for which his predecessor was appointed, except that a person appointed to fill a vacancy prior to the expiration of such a term shall be appointed for the remainder of the term.

(4) The Curator shall serve for a term of 4 years, beginning July 1, 1970. He shall receive an annual salary of not more than $18,000.

Section III. The State Curator shall be located in the Department of Finance and shall work with the Department to carry out the functions of his office.

Section IV. The State Curator shall replace the Mansion Committee which is provided for by KRS 11.025. He shall give professional advice in the preservation, restoration, and conservation of the aesthetic features of the Executive Mansion, the Old Governor's Mansion, and other state shrines and state historic homes.

Section V. The State Curator may seek and accept on behalf of the Commonwealth of Kentucky any appropriate gifts for the Executive Mansion, the Old Governor's Mansion, other state shrines, and state historic homes, and is authorized on behalf of the Commonwealth to prepare Articles of Dedication for such gifts in order that they may be permanently held by the Commonwealth of Kentucky.

Section VI. The State Curator shall inventory, retain, and store for use or other disposition in the Central Store Warehouse any items covered in Section I removed from the Executive Mansion, the Old Governor's Mansion, other state shrines and state historic homes, and such property shall not be declared surplus property without the approval of the State Curator.

Section VII. The inventory of articles in Section I shall be presented by the State Curator to the incoming and outgoing Governor and Lieutenant Governor. The Kentucky Historical Society and the Commissioner of Finance and shall be retained as a public record by the State Curator.

Section VIII. During their tenure of office, the Governor and Lieutenant Governor can use or store at their discretion articles of their choice. Such articles shall be inventoried, and records maintained by the State Curator. All new items purchased, donated, or otherwise obtained in the future shall also be inventoried and where of historical significance, a written documentary record by the State Curator.

Section IX. All departments, agencies, officers, and employees of the Commonwealth shall fully cooperate with the Curator in carrying out his functions under this act.

SB 406, AN ACT relating to the compensation payable to certain state offices and positions.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Subsection (2) of Section 64.640 of the Kentucky Revised Statutes is amended to read as follows:

(2) The Governor shall set the compensation payable out of the State Treasury to each office or position in the state service hereinafter named. Such compensation shall be based upon studies of the duties and responsibilities of the positions and upon a comparison with compensation being paid for similar or comparable services elsewhere, provided, however, such compensation shall not exceed $20,000, *except for the positions of Commissioner of Highways, Commissioner of Health and Commissioner of Mental Health whose compensation effective January 1, 1972, shall not exceed $27,500 a year.*

Adjutant General, Commissioner of Alcoholic Beverage Control, Executive Director of the State Tuberculosis Sanitoria Commission, Commissioner of Child Welfare, Commissioner of Natural Resources, Commissioner of Commerce, Commissioner of Economic Security, Commissioner of Finance, Commissioner of Health, Commissioner of Highways, Commissioner of Public Information, Commissioner of Public Safety, Commissioner of Revenue, Commissioner of Banking and Securities, Commissioner of Insurance, Commissioner of Motor Transportation, Commissioner of Personnel, Commissioner of Corrections, Commissioner of Mines and Minerals, Administrator of Distilled Spirits Unit, Ad-

ministrator of Malt Beverages Unit, Commissioner of Aeronautics, Commissioner of Fish and Wildlife Resources, Commissioner of Labor, Director of the Commission for Handicapped Children, Manager of the Kentucky State Fair, Chairman of the Public Service Commission, members of the Public Service Commission of Kentucky, other than the chairman, members of the Workmen's Compensation Board, the provisions of KRS 64.660 to the contrary notwithstanding, and heads of statutory departments and agencies other than those named in this subsection.

SB 402, AN ACT repealing KRS 166.191 through 166.200.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 166.191 through 166.200, inclusive, are hereby repealed.

SB 371, AN ACT relating to the issuance of bond anticipation notes.

WHEREAS, by reason of uncertainties as to the final amount of money which may be required for construction projects in many instances, and uncertainties which may result from the variability of the market for revenue bonds, assessment bonds, and mortgage bonds authorized to be issued by the Commonwealth, counties, cities, or other municipal corporations, or agencies thereof, it may be beneficial and expedient for governmental units to issue short term obligations ultimately payable from the proceeds of such bonds, when issued; and

WHEREAS, the issuance of such short term obligations by the state government and certain of its agencies has been permitted by KRS 56.513 and such short term obligations have been successfully marketed, but certain limited changes in the statutes relating to such obligations are desirable; and

WHEREAS, the use of short term or interim financing during high interest rate periods may be particularly beneficial if extended to counties, cities, and other municipal corporations, and agencies thereof,

NOW, THEREFORE,

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Section 56.513 of the Kentucky Revised Statutes is amended to read as follows:

(1) When the State Property and Buildings Commission makes a determination, in accordance with the provisions of KRS Chapter 56, that one or more building projects will be financed by the issuance of revenue bonds, then in anticipation of such financing the commission may borrow money to provide interim financing therefor and issue in evidence thereof its revenue bond anticipation notes, bearing interest at a rate or rates not exceeding [six and one-half percent per annum] *the maximum rate permitted for the issuance of such bonds.* Such interim financing may be entered into for the commission's own projects, for those of the University of Kentucky and the state colleges or for any other agency of the Commonwealth where approval by the commission is required regarding the issuance of revenue bonds of such an agency. In instances where the revenue bonds involved are to be issued by other agencies, such agencies, with the prior approval of the commission, may borrow money in the same manner and for the same purpose and issue in evidence thereof their own revenue bond anticipation notes, according to rules and regulations promulgated by the commission.

(2) The commission shall solicit proposals for such interim financing from at least three responsible lenders, and shall select in its discretion the best of such proposals consistent with sound financial practices. A selection may be made even though less than three proposals are received. The term of any such revenue bond anticipation note shall not exceed [one] *five* [year or the duration of the construction period, whichever is longer] *years;* and the same may be renewed, if necessary.

(3) Each revenue bond anticipation note [shall] *may* include prepayment provisions which will allow the commission or other borrowing agency to prepay the loan after giving reasonable notice to the lender; shall identify the revenue bond issue from the proceeds of which the note or notes and any interest thereon are to be paid; and shall include a statement that the note is being issued in anticipation of the identified

bond issue, and that neither the note, nor the interest thereon, shall constitute or evidence an indebtedness of the Commonwealth of Kentucky. Each such note and the interest thereon (to any extent not previously paid from other sources) shall be paid from the proceeds of the identified revenue bond issue, when such proceeds have been received and are available.

(4) Instead of borrowing money and issuing revenue bond anticipation notes to the full amount necessary for construction contract purposes, the commission (or such agencies with the prior approval of the commission and according to its rules and regulations), may enter into loan agreements with one or more lenders (determined by the commission to be responsible) according to the terms of which it may be agreed (a) that the lender will continuously make available to the borrowing agency a stated maximum amount of money for a stated period of time, (b) that the borrowing agency may demand and obtain cash advances against such commitment from time to time upon reasonable and agreed notice, and upon issuing in evidence of each advance a bond anticipation note which will bear an agreed rate of interest, not exceeding the maximum rate permitted for the issuance of the proposed bonds, and (c) that in consideration of the making of such loan agreement the borrowing agency will pay to the lender or lenders a commitment fee determined by the commission to be reasonable according to financial conditions existing at the time the loan agreement is made. Such loan agreements may be recorded as receivables upon the books of account of the commission, the Commissioner of Finance, or other borrowing agency, and construction contracts may be awarded against the same to the amount of money which the lender contractually agrees to make available to the borrowing agency, the same as in the case of loan agreements made with departments or agencies of the United States Government.

(5) Each revenue bond anticipation note issued according to this section, and the receipt of interest thereon, shall be exempt from all taxation by the Commonwealth and all of its subdivisions, municipalities and taxing authorities; and this may be stated as a representation in the text of each such revenue bond anticipation note.

(6) The State Property and Buildings Commission and other state agencies authorized to issue revenue bond anticipa-

tion notes under the terms of this Section may, as an alternative and if authorized to do so by the governing body of such commission or agency, adopt the procedures for interim financing established for counties, cities, and other municipal corporations, or their agencies, by Section 2 of this Act.

Section 2. A new section of Chapter 58 of the Kentucky Revised Statutes is created to read as follows:

(1) When the governing body of any county, city, or other municipal corporation, or agency thereof, shall make a determination that, in accordance with the provisions of any section of the statutes authorizing it to issue revenue bonds, assessment bonds, or mortgage bonds to finance any project, it will finance such a project by the issuance of such bonds, then in anticipation of such financing such governing body may provide for the interim financing of such project by the sale and issuance of revenue bond, assessment bond, or mortgage bond anticipation notes, as the case may be, bearing interest at a rate or rates not exceeding the maximum rate permitted for the issuance of the bonds so anticipated, and payable within a specified period of time only from the proceeds of such bonds, when issued, or from such revenues or income of the project as may be available prior to or at maturity of the notes; provided that the initial term of such notes shall not be in excess of five years from the date thereof. The terms "revenue bond", "assessment bond", and "mortgage bond" are used herein as defined in Subsection (1) of KRS 58.170, except that a school district shall not be excluded from said definition if it is authorized by the State Board of Education, by general or special authorization, to proceed under the authority of this Act through the agency of the appropriate city or county.

(2) The notes authorized herein shall be sold in the same manner as the bonds in anticipation of which they are issued, except that when the principal amount of such notes does not exceed $1,000,000 the provisions of KRS 424.360 for advertisement of such notes in a publication having general circulation among bond buyers shall be inapplicable, and the other publications required by said Section shall be deemed sufficient.

(3) Each bond anticipation note may include prepayment provisions which will allow the issuing authority to prepay the

note after giving reasonable notice to the holder thereof; shall identify the bond issue from the proceeds of which the note or notes and any interest thereon are to be paid; and shall include a statement that the note is being issued in anticipation of the identified bond issue, and that neither the note. nor the interest thereon, shall constitute or evidence an indebtedness of the issuing authority. Each such note and the interest thereon, to the extent of previously paid from other sources, shall be paid from the proceeds of the identified bond issue, when such proceeds have been received and are available; provided, however, that payment from the revenues of the project, for the financing of which the said bonds will eventually be issued, shall be permitted, and provision shall be made for payment of that portion of the principal of any note issue which represents the principal of the proposed bonds scheduled to mature on or prior to the maturity of said notes.

(4) The notes authorized herein may be issued in a principal amount sufficient to include all interest due on said notes at or prior to maturity, if such notes shall be issued for a term of three years or less, and said notes may be sold at a discount representing the interest due to the purchaser thereof during said term.

(5) When, prior to the maturity of any notes issued under the authority of this Act, the governing body of the issuing authority shall make a determination that by reason of construction delays, changes in plans, uncertainties in the bond market, or other causes justifying delay in the final offering of the bond issue, said bond issue should not immediately be offered, renewal notes may be issued subject to the same limitations contained in this Act relative to the original issue of notes, and the proceeds of the sale of said renewal notes shall be applied to the payment of the principal of the notes originally issued, or any prior issue of renewal notes, or to the payment of interest due or to become due on the notes or renewal notes; provided, however, that the interest (including discount, if any) payable from the proceeds of notes or renewal notes shall not exceed an amount equal to three years interest from the date of the original notes at the rate per annum established for the original notes.

(6) Counties, cities, and other municipal corporations, or

agencies thereof, in the discretion of the governing body in each case, may, as an alternative to this Section and for interim financing purposes, solicit proposals, issue bond anticipation notes, and make commitment agreements in the same manner as provided for the State Property and Buildings Commission by Section 1 of this Act; provided, however, that in the case of notes issued on behalf of a school district, general or special approval of the State Board of Education shall be required in substitution for the approval of the State Property and Buildings Commission; and provided further, that the approval of the State Property and Buildings Commission will not be required for any issue of a county, city or other municipal corporation, or any agency thereof, and references to the commission shall be interpreted to be references to the governing body of the issuing authority.

(7) Nothing herein shall be deemed to invalidate any bond anticipation notes sold or issued under general statutes prior to the adoption of this Act.

(8) Each bond anticipation note issued according to this Act, and the receipt of interest thereon, shall be exempt from all taxation by the Commonwealth and all of its subdivisions, municipalities and taxing authorities; and this may be stated as a representation in the text of each such bond anticipation note.

The Committee on Judiciary reported **SB 224** with Committee Amendment attached thereto, **SB 12** with Committee Amendment attached thereto, and **SB 286** with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

SB 224, AN ACT relating to local industrial development authorities and the taxation thereof.

WHEREAS, continued and accelerated industrial and commercial growth is essential to provide Kentuckians with acceptable levels of personal income; and

WHEREAS, increased income and taxable capital investment are essential in creating a revenue base sufficient to provide for the needs of Kentuckians in such things as education, health, transportation, and conservation; and

WHEREAS, an adequate supply of sites, industrial parks, and industrial subdivisions amounting to 20,000 to 40,000 acres is a critical element in creating 350,000 new jobs required in Kentucky during the next 10 years; and

WHEREAS, there is presently no official body with the capability of acquiring, developing, and retaining land required for current and future industrial and commercial uses; and

WHEREAS, this is a serious handicap to economic development of the Commonwealth and particularly to major projects such as the New Town at Midland and the Salyersville-Royalton impoundment and development project of the U. S. Corps of Engineers.

NOW, THEREFORE,

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. A new section of Chapter 152 of the Kentucky Revised Statutes is enacted to read as follows:

This Act shall be known as the Local Industrial Development Authority Act.

Section 2. A new section of Chapter 152 of the Kentucky Revised Statutes is enacted to read as follows:

The purpose of this Act is to create local industrial development authorities to aid in the acquisition, retention and development of land for industrial and commercial purposes in Kentucky; to aid in the development and promotion of industrial sites, parks and subdivisions for accommodating industrial and commercial needs; to promote and stimulate the acquisition, retention and development of land for industrial and commercial purposes in Kentucky by other local development organization both public and private.

Section 3. A new section of Chapter 152 of the Kentucky Revised Statutes is enacted to read as follows:

As used in this Act, unless the context otherwise requires:

(1) "Authority" means a local industrial development authority as established by this Act.

(2) "Industrial sites, parks and subdivisions" means land suitable for one or more industries or commercial establishments.

(3) "Development of land" means the improvement and provision of facilities essential to the use of land for industrial and commercial purposes such as but not limited to core drilling, grading, sewerage systems, water systems, access roads, rail lines, electrical lines, and layout planning.

(4) "Governmental units" means any city or the combination of any two or more cities, any county or combination of two or more counties, or any city or cities acting jointly with any county or counties.

(5) "Person" means any individual, firm, partnership, corporation, company, association, joint stock association, or body politic, and includes any trustee, receiver, assignee, or other similar representative thereof.

Section 4. A new section of Chapter 152 of the Kentucky Revised Statutes is enacted to read as follows:

(1) Any governmental unit by act of its legislative body may establish a non-profit industrial development authority to be composed of six members.

(2) The authority shall be a body politic and corporate with the usual corporate attributes, and in its corporate name may sue and be sued, contract and be contracted with and do all things reasonable or necessary to effectively carry out the duties prescribed by this Act.

Section 5. A new section of Chapter 152 of the Kentucky Revised Statutes is enacted to read as follows:

The purpose, duties and powers of the authority shall be to:

(1) acquire, retain and develop land for industrial and commercial purposes in Kentucky; aid in the development and promotion of industrial sites, parks and subdivisions to meet industrial and commercial needs in Kentucky.

(2) encourage the acquisition, retention and development of land for industrial and commercial needs in Kentucky by other local development organizations, both public and private.

(3) cooperate with the U. S. Army Corps of Engineers and other federal agencies in formulating development plans and in acquiring and developing land for industrial and commercial purposes in accordance with these plans.

(4) acquire by contract, lease, purchase, gift, condemnation or otherwise any real or personal property, or rights therein, necessary or suitable for establishing industrial sites, parks or subdivisions. The authority may dispose of any real or personal property, or rights therein, which in the opinion of the authority are no longer needed to carry out the purposes of this Act. The authority may sell or convey any or all land owned or optioned by it to any public or private organization, governmental unit, or industry for the purpose of constructing and/or operating any industrial or commercial facility.

(5) the authority may by resolution, reciting that the property is needed for industrial sites, parks or subdivisions, direct the condemnation of any property. The procedure for condemnation shall confirm to the procedure set out in KRS 416.120.

Section 6. A new section of Chapter 152 of the Kentucky Revised Statutes is enacted to read as follows:

(1) The members of the authority shall be appointed as follows:

(a) If the authority is established by a city, such member shall be appointed by the mayor of the city;

(b) If the authority is established by a county, such member shall be appointed by the county judge;

(c) If the authority is established as a joint city-county industrial development authority, three members shall be appointed by the mayor and three members by the county judge;

(d) If a combination of cities and/or counties establishes a joint industrial development authority, the mayors and/or county judges involved shall jointly choose six members, and shall jointly choose successors.

(2) Members of the authority shall serve for a term of

four years each, and until their successors are appointed and qualified, provided, however, that initial appointments shall be made so that two members are appointed for two years, two members for three years and two members for four years. Upon expiration of these staggered terms, successors shall be appointed for a term of four years.

(3) An industrial development authority member may be replaced by the appointing authority upon a showing to such appointing authority of misconduct as an authority member or upon conviction of a felony. No authority member shall hold any official office with the appointing authority.

Section 7. A new section of Chapter 152 of the Kentucky Revised Statutes is enacted to read as follows:

(1) In the event that joint industrial development authority is created by cities and/or counties, and thereafter a city or cities or county or counties desire to withdraw from participation, then the remaining participants may jointly choose a successor member or members of the authority. No such withdrawing city or cities or county or counties shall be entitled to the return of any money or property advanced such authority.

(2) Notwithstanding the provisions of subsection (1), any cities and/or counties which have established a joint industrial development authority as provided for herein, may provide by a mutual written agreement between such cities and/or counties, and the joint industrial development authority, that such joint industrial development authority may be dissolved and may further provide that upon such complete termination, all funds, property and other assets held by the joint industrial development authority shall be returned to such cities and/or counties in the same proportion as contributions of funds, property and other assets were made by such cities and/or counties. This section shall not apply and no dissolution shall be made until such time as all legal obligations of the joint industrial development authority shall be satisfied and all existing commitments fulfilled.

Section 8. A new section of Chapter 152 of the Kentucky Revised Statutes is enacted to read as follows:

A quorum for the transacting of the business of the authority shall consist of four members. Meetings of the authority may be called by the Chairman or by four members. In case of tie voting by the authority, the issue shall be deemed to have failed passage.

Section 9. A new section of Chapter 152 of the Kentucky Revised Statutes is enacted to read as follows:

(1) Members of the authority shall serve without compensation but shall be reimbursed for any actual and necessary expenses incurred by them in the conduct of the affairs of the authority. The authority shall, upon the appointment of its members, organize and elect officers. The authority shall choose a chairman and vice-chairman who shall serve for terms of one year. The authority may fix a salary for the secretary-treasurer, and the secretary-treasurer shall execute an official bond to be set and approved by the authority, and the cost thereof shall be paid by the authority.

(2) The authority may employ necessary counsel, agents and employes to carry out its work and functions and prescribe such rules and regulations as it deems necessary.

(3) The secretary-treasurer shall keep the minutes of all meetings of the authority and shall also keep a set of books showing the receipts and expenditures of the authority. He shall preserve on file duplicate vouchers for all expenditures and shall present to the authority, upon request, complete reports of all financial transactions and the financial condition of the authority. Such books and vouchers shall at all times be subject to examination by the legislative body or bodies by whom the authority was created. He shall transmit at least once annually a detailed report of all acts and doings of the authority to the legislative body or bodies by whom the authority was created.

Section 10. A new section of Chapter 152 of the Kentucky Revised Statutes is enacted to read as follows:

In order to provide money for the purchase of property necessary to develop industrial sites, parks and subdivisions, the legislative body of any governmental unit creating the industrial development authority under this Act may make an annual

appropriation from its general fund; or such governmental unit may make an annual levy to collect a tax on taxable property situated in the governmental unit for such industrial development. Any appropriation shall be made by the legislative body in such amounts, in such proportion and upon such terms as the legislative body may determine. All funds derived from such appropriation or tax shall be turned over to the industrial development authority for the purpose of carrying out the duties and powers of the authority.

The authority may borrow money on its own credit in anticipation of revenue to be derived from appropriations or other income. For such purposes the authority may pledge the taxes, the appropriations or income anticipated. The authority may pledge the industrial sites, parks and subdivisions as security for moneys borrowed.

(1) The authority is authorized to defray the cost of acquiring and developing any land facilities through the issuance of revenue bonds, and for that purpose the authority shall have all the powers and duties that are granted to or imposed upon governmental units and the legislative bodies thereof.

(2) The authority may, as an alternative method and in addition to all other methods provided by law, acquire and develop land for industrial and commercial use, and issue revenue bonds in connection therewith under the terms and provisions of KRS Chapter 58 and under said law the term "governmental agency" means the authority and the term "public project" means industrial sites, parks and subdivisions.

Section 11. A new section of Chapter 152 of the Kentucky Revised Statutes is enacted to read as follows:

The title to all property acquired by the authority shall vest in the authority. All property acquired for the development of industrial sites, parks and subdivisions shall be exempt from taxation to the same extent as other property used for public purposes. All revenues collected by the authority shall also be exempt from taxation.

Section 12. A new section of Chapter 152 of the Kentucky Revised Statutes is enacted to read as follows:

The acquisition of any lands for the purpose of developing industrial sites, parks and subdivisions are hereby declared to be public and governmental functions, exercised for a public purpose, and matters of public necessity, and such lands and other property, easements and privileges acquired in the manner and for the purposes enumerated in this Act shall and are hereby declared to be acquired and used for public and governmental purposes and as a matter of public necessity.

The Committee Amendment to **SB 224** is as follows:

Amend printed copy of Senate Bill 224 on page 4, line 20, by: inserting after the word "facility" and before line 21 the following language:

"Provided however that no sale or conveyance of any land shall be made to a private organization or industry without such organization or industry first having executed a written contract with the Authority providing that if no actual construction of an industrial facility is commenced within two years, the organization or industry shall reconvey the land, free and clear of liens and encumbrances, to the Authority, and the Authority shall return to the organization or industry 95% of the purchase price paid therefore.";

and on page 4, line 21, by deleting lines 21 through 24 in their entirety, and substituting in lieu thereof the following language:

"Upon the adoption by the Authority of a resolution reciting that property is needed for industrial sites, parks and subdivisions and can not be acquired by negotiation and purchase at its fair market value, the governmental units in which such land is located may direct and institute condemnation procedures in the name of such governmental units, for the use and benefit of the Authority. The procedure for condemnation shall conform to the procedure set out in KRS 416.120. Upon acquisition of the property, the governmental unit shall convey the property to the Authority upon payment by the Authority to the Governmental unit of an amount of money equal to the judgment and costs paid by the governmental unit.";

and on page 8, line 21, by deleting lines 21 through 25 in their entirety and inserting, in lieu thereof, the following language:

(1) The Authority is authorized to defray the cost of acquiring and developing any industrial sites, parks, and subdivisions through the issuance of revenue bonds issued under the terms, conditions, and procedures set forth in KRS 103.200 through 103.285.";

and on page 8, lines 6, 7 and 8, by deleting the following words:

", or such governmental unit may make an annual levy to collect a tax on taxable property situated in the governmental unit";

and on page 8, line 12, by deleting the words "or tax," and

on line 16, by deleting the word "taxes"; and

on line 18, by deleting the word "taxes,"; and

on page 9, line 22 by adding after line 22 a new section to read as follows:

"Section 13. A new section of Chapter 152 of the Kentucky Revised Statutes is enacted to read as follows:

Notwithstanding any other provision or section of this Act, no governmental unit shall have the power to condemn property under this Act unless the governmental unit has first given proper public notice as required by law stating the specific purpose for which the property to be condemned shall be used and said purposes shall be plead and proved in such condemnation action. The property shall be developed within a period of five years pursuant to the purpose stated, and the failure of the authority to so develop shall entitle the person or persons whose property was condemned to repurchase the property at the price the authority paid to the governmental unit for the same. The person from whom the land is taken by condemnation shall have the right to reacquire the land as aforementioned by application to the Court of competent jurisdiction, if such procedure be necessary, and shall be entitled to recovery of his costs and reasonable attorneys' fees necessary to reacquire said land.

SB 12, AN ACT relating to the Thirtieth Circuit Court District, a court of continuous session consisting of Jefferson County; creating additional judges therefor.

WHEREAS, the General Assembly giving due regard to

territory, business, population, and the right of all persons to a speedy trial, as provided by the Constitution of the Commonwealth, finds that two additional Circuit Court Judges are necessary in the Thirtieth Circuit Court District and finds also that it will be convenient and advantageous and will comply with the provisions of Section 137 of the Constitution with respect to requirements of population and will expedite the business of the court in the county involved to provide for two additional Circuit Judges for this district.

NOW, THEREFORE,

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Section 24.170 of the Kentucky Revised Statutes is amended to read as follows:

The circuit court of Jefferson County shall have *fifteen* [thirteen] judges.

Section 2. Section 24.180 of the Kentucky Revised Statutes is amended to read as follows:

The circuit court described in KRS 24.170 is a court of continuous session. It has *fifteen* [thirteen] divisions as follows:

Chancery branch, first division.
Chancery branch, second division.
Chancery branch, third division.
Chancery branch, fourth division.
Common pleas branch, first division.
Common pleas branch, second division.
Common pleas branch, third division.
Common pleas branch, fourth division.
Common pleas branch, fifth division.
Common pleas branch, sixth division.
Common pleas branch, seventh division.
Common pleas branch, eighth division.
Criminal branch, first division.
Criminal branch, second division.
Criminal branch, third division.

Section 3. Within thirty days after this Act becomes effective, the Governor shall appoint a person having the qualifications of a circuit judge to preside over Common pleas branch, eighth division; and a person having the qualifications of a circuit judge to preside over Criminal branch, third division, the Thirtieth Circuit Court District, who, when appointed shall be commissioned by the Governor as judges of the Thirtieth Circuit Court District, in their respective divisions, and shall enter upon the duties of the office as soon as they shall be qualified.

Section 4. This Act shall take effect January 1, 1971.

The Committee Amendment to **SB 12** is as follows:

Amend printed copy of Senate Bill 12 on pages 1 & 2, by:

on page 1, in the 8th line of the Whereas clause, by deleting the word "two" and inserting in lieu thereof the word "one" and on line 3 by deleting the word "two" and inserting in lieu thereof the word "one" and on line 4 by deleting the words "judges are" and inserting in lieu thereof the words "judge is"

and on page 2, line 2, by deleting following the word "have" the word *"fifteen"* and inserting in lieu thereof the word *"fourteen"*

and on line 7 by deleting following the word "have" the word *"fifteen"* and inserting in lieu thereof the word *"fourteen"* and on line 20 by deleting it in its entirety.

SB 286, AN ACT relating to recognition of acknowledgments executed out of the state.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. A new section of Chapter 423 of the Kentucky Revised Statutes is created to read as follows:

For the purposes of this Act, "notarial acts" means acts which the laws and regulations of this state authorize notaries public of this state to perform, including the administering of oaths and affirmations, taking proof of execution and acknowledgments of instruments, and attesting documents. Notarial acts may be performed outside this state for use in this state with the same effect as if performed by a notary public of this state by the following

persons authorized pursuant to the laws and regulations of other governments in addition to any other person authorized by the laws and regulations of this state:

(1) A notary public authorized to perform notarial acts in the place in which the act is performed;

(2) A judge, clerk, or deputy clerk of any court of record in the place in which the notarial act is performed;

(3) An officer of the foreign service of the United States, a consular agent, or any other person authorized by regulation of the United States Department of State to perform notarial acts in the place in which the act is performed;

(4) A commissioned officer in active service with the Armed Forces of the United States and any other person authorized by regulation of the Armed Forces to perform notarial acts if the notarial act is performed for one of the following or his dependents: a merchant seaman of the United States, a member of the Armed Forces of the United States, or any other person serving with or accompanying the Armed Forces of the United States; or

(5) Any other person authorized to perform notarial acts in the place in which the act is performed.

Section 2. A new section of Chapter 423 of the Kentucky Revised Statutes is created to read as follows:

(1) It the notarial act is performed by any of the persons described in subsections (1) to (4), inclusive of Section 1 of this Act, other than a person authorized to perform notarial acts by the laws or regulations of a foreign country, the signature, rank, or title and serial number, if any, of the person are sufficient proof of the authority of a holder of that rank or title to perform the act. Further proof of his authority is not required.

(2) If the notarial act is performed by a person authorized by the laws or regulations of a foreign country to perform the act, there is sufficient proof of the authority of that person to act if:

(a) Either a foreign service officer of the United States resident in the country in which the act is performed or a diplo-

matic or consular officer of the foreign country resident in the United States certifies that a person holding that office is authorized to perform the act;

(b) The official seal of the person performing the notarial act is affixed to the document; or

(c) The title and indication of authority to perform notarial acts of the person appears either in a digest of foreign law or in a list customarily used as a source of such information.

(3) If the notarial act is performed by a person other than one described in subsections (1) and (2), there is sufficient proof of the authority of that person to act if the clerk of a court of record in the place in which the notarial act is performed certifies to the official character of that person and to his authority to perform the notarial act.

(4) The signature and title of the person performing the act are prima facie evidence that he is a person with the designated title and that the signature is genuine.

Section 3. A new section of Chapter 423 of the Kentucky Revised Statutes is created to read as follows:

The person taking an acknowledgment shall certify that:

(1) The person acknowledging appeared before him and acknowledged he executed the instrument; and

(2) The person acknowledging was known to the person taking the acknowledgment or that the person taking the acknowledgment had satisfactory evidence that the person acknowledging was the person described in and who executed the instrument.

Section 4. A new section of Chapter 423 of the Kentucky Revised Statutes is created to read as follows:

The form of a certificate of acknowledgment used by a person whose authority is recognized under Section 1 of this Act shall be accepted in this state if:

(1) The certificate is in a form prescribed by the laws or regulations of this state;

(2) The certificate is in a form prescribed by the laws or regulations applicable in the place in which the acknowledgment is taken; or

(3) The certificate contains the words "acknowledged before me," or their substantial equivalent.

Section 5. A new section of Chapter 423 of the Kentucky Revised Statutes is created to read as follows:

The words "acknowledged before me" mean:

(1) That the person acknowledging appeared before the person taking the acknowledgment;

(2) That he acknowledged he executed the instrument;

(3) That, in the case of:

(a) A natural person, he executed the instrument for the purposes therein stated;

(b) A corporation, the officer or agent acknowledged he held the position or title set forth in the instrument and certicate, he signed the instrument on behalf of the corporation by proper authority, and the instrument was the act of the corporation for the purpose therein stated;

(c) A partnership, the partner or agent acknowledged he signed the instrument on behalf of the partnership by proper authority and he executed the instrument as the act of the partnership for the purpose therein stated;

(d) A person acknowledging as principal by an attorney in fact, he executed the instrument by proper authority as the act of the principal for the purposes therein stated;

(e) A person acknowledging as a public officer, trustee, administrator, guardian, or other representative, he signed the instrument by proper authority and he executed the instrument in the capacity and for the purposes therein stated; and

(4) That the person taking the acknowledgment either knew or had satisfactory evidence that the person acknowledging was the person named in the instrument or certificate.

Section 6. A new section of Chapter 423 of the Kentucky Revised Statutes is created to read as follows:

The forms of acknowledgment set forth in this section may be used and are sufficient for their respective purposes under any law of this state. The forms shall be known as "Statutory Short

Forms of Acknowledgment" and may be referred to by that name. The authorization of the forms in this section does not preclude the use of other forms.

(1) For an individual acting in his own right:

State of ————————————

County of ————————————

The foregoing instrument was acknowledged before me this (date) by (name of person acknowledged).

(Signature of Person Taking Acknowledgment)

(Title or Rank)

(Serial Number, if any)

(2) For a corporation:

State of ————————————

County of ————————————

The foregoing instrument was acknowledged before me this (date) by (name of officer or agent, title of officer or agent) of (name of corporation acknowledging) a (state or place of incorporation) corporation, on behalf of the corporation.

(Signature of Person Taking Acknowledgment)

(Title or Rank)

(Serial Number, if any)

(3) For a partnership:

State of ————————————

County of ————————————

The foregoing instrument was acknowledged before me this (date) by (name of acknowledging partner or agent), partner (or agent) on behalf of (name of partnership), a partnership.

(Signature of Person Taking Acknowledgment)

(Title or Rank)
(Serial Number, if any)

(4) For an individual acting as principal by an attorney in fact:

State of ——————————

County of ——————————

The foregoing instrument was acknowledged before me this (date) by (name of attorney in fact) as attorney in fact on behalf of (name of principal).

(Signature of Person Taking Acknowledgment)

(Title or Rank)

(Serial Number, if any)

(5) By any public officer, trustee, or personal representative:

State of ——————————

County of ——————————

The foregoing instrument was acknowledged before be this (date) by (name and title of position).

(Signature of Person Taking Acknowledgment)

(Title or Rank)

(Serial Number, if any)

Section 7. A new section of Chapter 423 of the Kentucky Revised Statutes is created to read as follows:

A notarial act performed prior to the effective date of this Act is not affected by this Act. This Act provides an additional method of proving notarial acts. Nothing in this Act diminishes or invalidates the recognition accorded to notarial acts by other laws or regulations of this state.

Section 8. This Act shall be so interpreted as to make uniform the laws of those states which enact it.

Section 9. This Act may be cited as the Uniform Recognition of Acknowledgments Act.

Section 10. This Act shall take effect July 1, 1970.

The Committee on Cities reported SB 387 and SB 389 with

the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

SB 387, AN ACT relating to the establishment of community improvement districts with the power to tax and to promote governmental projects; and repealing KRS 66.550 to 66.580, inclusive.

WHEREAS, Counties containing cities of the first class are beset by numerous problems which have tended to promote the creation of numerous governmental units to meet such problems, with consequent increasing needs for new governmental buildings and other structures within the area of such counties; and

WHEREAS, it would appear that the need for such new buildings and other structures can best be met in such counties by the creation of an independent municipal corporation which can serve all of the units related to general governmental problems upon a county-wide basis, and which can finance or assist in the financing of such buildings and structures through the application of its own revenues;

NOW, THEREFORE,

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. A new section of Chapter 107 of the Kentucky Revised Statutes is created to read as follows:

As used in this Act, unless the context otherwise requires:

(1) "District" means a _____ County Community Improvement District established as provided in this Act;

(2) "Board" means the Board of Commissioners which controls and manages the affairs of the district;

(3) "Governmental unit" means a county or any city of any class, or any corporate agency of any such county or city, or any independent district, authority or other municipal corporation except a board of education, existing within the area of the district; and

(4) "Building and related facilities", or "building" or "facilities" means any real or personal property, including but not

limited to structures, sites, parks, forests, wharves, floodwalls, boats and other improvements except sewers, drainage facilities and other utilities unless related to one of the foregoing.

Section 2. A new section of Chapter 107 of the Kentucky Revised Statutes is created to read as follows:

The County Court of any county containing a first class city, may establish a community improvement district in said county for the purpose of erecting buildings and related facilities for any governmental unit, or combination of governmental units, in the county. Any community improvement district so created shall include all of the territory in the county, including the area of incorporated cities (whether or not joined in the administration of the district), and shall be designated the "———— County Community Improvement District" (hereinafter called the "district"). The district shall constitute a municipal corporation and taxing district, and public body corporate, with perpetual succession and power in its name to contract and be contracted with, sue and be sued, adopt by-laws, have and use a corporate seal, and exercise all of the powers granted to public non-profit corporations generally by Chapter 273 of the Kentucky Revised Statutes, except such powers as may be inconsistent with specific provisions of this Act.

Section 3. A new section of Chapter 107 of the Kentucky Revised Statutes is created to read as follows:

A district shall be administered by a Board of Commissioners (the "Board"), which shall control and manage the affairs of the district. The term of each commissioner shall be four years, except as herein specified. Initially, upon the establishment of the district, the board shall consist of four members who shall be appointed by the County Judge with the approval of the Fiscal Court. Initial appointments shall be for terms of one, two, three and four years as designated by the County Judge. Immediately upon the appointment of the four Commissioners the board shall elect a temporary Chairman, who shall then inform the Mayor of each first, second, third and fourth class city in the county that the district has been established and that the board invites each of said cities to join in the administration of the district by the enactment of an ordinance providing for such action. Upon the enactment of such an ordinance by a city of the first class, the

Mayor thereof, with the approval of the Board of Aldermen, shall be entitled to appoint four additional members of the board for one, two, three and four year terms as in the case of the appointments made by the County Judge. The Mayor of any city of the second, third or fourth class which may join in the administration of the district (including cities which may be so classified at future times, after the effective date of such classification) shall be entitled to appoint, with the approval of the legislative body of his city, one member of the board for a term of four years. Thereafter, as the term of each member expires, his successor shall be appointed for a term of four years. Not more than three-fourths of the persons appointed to membership on the board by any appointing authority having multiple appointments shall be members of the same political party, as determined, in the case of each person, by such person's registration record at the time of his or her appointment.

The board shall elect its Chairman from among its members and may appoint a Secretary, an Executive Director, and other officials and employees who need not be members of the board. Members of the board shall not receive compensation for their services, but shall be reimbursed for their actual expenses necessarily incurred in the performance of their duties. A quorum for the transacting of the business of the board shall consist of one half of the total membership of the board, or three members, whichever is greater.

Section 4. A new section of Chapter 107 of the Kentucky Revised Statutes is created to read as follows:

The purpose of the district shall be to provide for the acquisition or construction, and the necessary equipping of, such buildings and related facilities as may be needed by any governmental unit within the territorial limits of the district, or any combination of any such units.

Section 5. A new section of Chapter 107 of the Kentucky Revised Statutes is created to read as follows:

In order to accomplish its purposes the district, through its board, may request the fiscal court of the county in which it is located to levy an ad valorem tax on all property within the district which is assessed for local taxation at a rate which shall not

exceed 10 cents per $100.00 of assessed value of said property and which shall not exceed the amount necessary to amortize any bonds (whether revenue or general obligation bonds) issued or proposed to be issued to finance the project or projects proposed by the district, plus operating expenses or the district. All ad valorem taxes authorized by this Act shall be collected in the same manner as are county ad valorem taxes and shall be turned over to the board as the governing body of the district. Such ad valorem taxes shall be solely for the benefit and purposes of the district and shall be in addition to all other ad valorem taxes. Said fiscal court shall levy the ad valorem tax so requested initially and from year to year thereafter if required to amortize any bonds (whether revenue or general obligation bonds) issued or proposed for a project not disapproved under the authority of this Act, but it shall refuse to levy any tax if no bonds (whether revenue or general obligation bonds) are issued or outstanding, and if the proposed project to be financed by the bonds has been disapproved as set out in Section 6 hereof.

Section 6. A new section of Chapter 107 of the Kentucky Revised Statutes is created to read as follows:

Prior to or concurrently with the adoption by the board of a resolution requesting the fiscal court to levy an ad valorem tax, the board shall have determined the nature and approximate cost of the project or projects to be financed through the issuance of bonds (whether revenue or general obligation bonds) to be retired through the levy of the tax. The resolution designating the project or projects and the estimated and approximate cost of each, shall be forwarded to the fiscal court, which shall thereafter, on behalf of the district, cause said resolution to be published in the newspaper of bona fide circulation as provided in KRS 424.130. Thereafter the fiscal court shall cause to be prepared a question for submission to the voters of the district at the next regularly scheduled November election as to whether or not the project, or each individual project if there be more than one, shall be disapproved. The question shall be so framed that any voter who wishes to vote for the project, or any individual project if there be more than one project, may signify his approval by voting "yes" and any voter who wishes to vote against any project may do so by voting "no" on the question of that project. If a majority of those voting on the question of any proj-

ect shall approve the particular project, that project shall be adopted, and the board shall proceed to initiate issuance of the authorized bonds as provided in this Act. The clerk of the county court shall cause such question to appear on the ballots or voting machine slips used, and the election results shall be canvassed and certified by the county board of election commissioners.

If the project is approved as herein provided, the tax necessary to finance the approved project shall be computed by the board and transmitted to the fiscal court, which shall levy the tax as provided in Section 5 hereof. Nothing in this Act shall be deemed to require the fiscal court to levy a tax in any year unless general obligation bonds have been issued as provided in Section 14 hereof, and then only to the extent of requirements for amortization of such bonds.

Section 7. A new section of Chapter 107 of the Kentucky Revised Statutes is created to read as follows:

In addition to its general powers specified in this Act, the board, after approval of any proposed project by resolution of the fiscal court, shall have power to finance and construct buildings and related facilities for the joint or separate use of any one or more of the governmental units within the territorial limits of the county, or of federal agencies, and to convey or lease said buildings and facilities in whole or in part, or space therein, to said governmental units or federal agencies in accordance with the provisions of this Act. The board may cause any such building and related facilities to be designed in anticipation of reasonably foreseeable future needs; and to the extent the capacity thereof may be surplus to needs existing at the time of occupancy, such surplus capacity may be leased to non-governmental persons or parties, subject to cancellation upon reasonable notice when such capacity or facilities shall be required for the purposes of governmental units. Said board shall have the government, management, regulation, control and operation of any buildings financed, constructed and leased pursuant to the provisions of this Act and shall have the power to improve, reconstruct, repair and maintain said buildings and all additions thereto; provided, however, that the board may contract with the lessee of any building for the maintenance and operation of such building. The

board shall also have power, acting in the name of the district, as follows:

(1) To condemn, appropriate, lease, rent, purchase and hold any real estate, regardless of whether the same be then held for a governmental or public use, and materials or personal property needed or deemed useful in connection with buildings constructed or to be constructed pursuant to this Act;

(2) To enter upon any lots or lands for the purpose of surveying or examining the same for a proper public purpose under this Act;

(3) To design, order, contract for and construct, reconstruct and maintain such buildings and related facilities and to make all necessary or desirable improvements to the grounds and premises under its control;

(4) To determine, allocate and adjust space in said buildings to be used by any governmental unit;

(5) To construct, maintain and operate auditoriums, public meeting places, and parking facilities in conjunction with or as a part of said buildings;

(6) To operate any such buildings, to receive and collect any moneys due on account of such operation or otherwise relating to such buildings and to expend such moneys for proper purposes; and in connection therewith to let concessions for the operation of restaurants, cafeterias, public telephones, news and cigar stands, and vending machines, the above concessions for operations of said restaurants, cafeterias, public telephones, news and cigar stands and vending machines shall be let on open and competitive bidding, and to employ such managers, superintendents, architects, engineers, attorneys, auditors, clerks, foremen, custodians, and other employees, as it may deem necessary for the proper carrying on and operation of any such buildings and to fix compensation of all such employees; provided, however, that no contract of employment shall be made for a longer fixed period than four (4) years, but may be extended or renewed from time to time thereafter;

(7) To make and enter into all leases, contracts and other agreements necessary or incidental to the performance of its duties and the execution of its powers under this Act.

Section 8. A new section of Chapter 107 of the Kentucky Revised Statutes is created to read as follows:

The district shall have the same power to condemn property for its purposes as the Department of Highways of the Commonwealth of Kentucky, and shall institute any action for condemnation under the provisions of the statutes applicable to said Department. The official order of the board shall be conclusive of the public use of the condemned property and the board's decision as to the necessity for taking the property will not be disturbed in the absence of fraud, bad faith, or abuse of discretion.

Section 9. A new section of Chapter 107 of the Kentucky Revised Statutes is created to read as follows:

Any governmental unit within the territorial limits of the county shall be authorized to lease all or any part of the buildings and related facilities from the district, subject to constitutional limitations, and the district shall have the power to lease buildings or any part thereof to said governmental units. Any governmental unit which enters into such a contract of lease may sublease a part or parts of such leased premises to other governmental units within the territorial limits of the county. No such contract of lease or any sublease to another governmental unit of a particular building shall be entered into for a period of more than forty (40) years but said contract of lease and each such sublease may be renewable for a like or lesser period. The rentals to be paid to the district by the lessee shall be specified in the lease agreement, and the district may agree to contribute a portion or all of the such payments from its own funds provided that it retains the right to withdraw from each contribution agreement at the close of a rental, fiscal or calendar year by affirmative action of its board. The district shall be bound for the amount of the contribution agreed upon for the year in which the agreement is made, notwithstanding any right of withdrawal thereafter, and it shall be bound for each year thereafter if it has not withdrawn from its agreement by the first of said year.

In determining the amount of the contribution which the board agrees to pay (on a year-to-year basis) the board shall take into consideration any previous contributions which may have been allowed to the particular lessee, previous contributions which may have been allowed to other governmental units, and

the relative assessed values of the property in the various governmental units in the county.

Section 10. A new section of Chapter 107 of the Kentucky Revised Statutes is created to read as follows:

Any governmental unit within the territorial limits of the county may, in anticipation of the construction and erection of such buildings, including the necessary equipment and appurtenances thereof, make and enter into a contract of lease with such district prior to the actual acquisition of a site, if a site is to be acquired, and the construction and erection of such buildings.

Section 11. A new section of Chapter 107 of the Kentucky Revised Statutes is created to read as follows:

Any such lease may provide that the lessee may have an option to renew said lease for a like or lesser term, on such conditions as may be provided for in such lease and may contain an option to purchase at any time prior to the expiration of the term of such lease on such date or dates in any year as may be fixed therein, at a price to be computed by a method which shall be set forth in said contract of lease, and such option may be given to one or more of the lessees acting jointly or severally. No lease shall provide, nor be construed to provide, that any governmental unit shall be under any obligation to purchase such leased building.

Section 12. A new section of Chapter 107 of the Kentucky Revised Statutes is created to read as follows:

Any governmental unit or units desiring to have buildings erected on land owned or to be acquired by it or them may convey such lands (whether then with or without improvements) to the district, or may lease such land to the district for a nominal rental for the same period of years that such governmental unit proposes to lease the particular building, or portion thereof, to be constructed wholly or in part thereon, and, in the event the land was leased, may grant an option to the district to purchase such land within six (6) months after the expiration of the lease on the building in the event such governmental unit or units shall not have exercised or shall not exercise an option to purchase such building within the terms of the contract of lease.

Any such conveyance or lease of land by a governmental unit to the district shall be authorized by the governing body of such governmental unit by resolution or ordinance which shall be entered in the official records of said governing body. Such authorization may be given concurrently with the authorization by such governmental unit of a lease by it of the particular building, or portion thereof, to be constructed wholly or in part on said land. The deed, in the case of a conveyance of the land, or the lease, in the case of a lease thereof, shall be executed on behalf of the governmental unit by the officer or officers authorized by law to execute contracts on behalf of such unit and said lease shall be executed on behalf of the district by the chairman and secretary of the board.

Section 13. A new section of Chapter 107 of the Kentucky Revised Statutes is created to read as follows:

The district is authorized to defray the cost of acquiring any real or personal property for the purposes contemplated by this Act through the issuance of revenue bonds, and for that purpose the district shall have all the powers and duties that are granted to or imposed upon governmental units by law, including specifically the terms and provisions of KRS 58.010 to 58.140.

Section 14. A new section of Chapter 107 of the Kentucky Revised Statutes is created to read as follows:

The board, subject to the approval required by KRS 66.210 and 66.220, may sell and deliver its general obligation bonds not to exceed in principal amount any limitation provided in Section 158 of the Constitution, in such manner and at such times at public sale as it deems proper, provided that before such bonds may be issued, the board shall take the same actions required by KRS 66.050 to be taken by the legislative body of a city in the case of a city bond issue; and unless the constitutionally required vote on the question submitted as therein provided is in favor of incurring the indebtedness, the bonds shall not be issued. In complying with the requirements of KRS 66.050, "ordinance" shall mean "resolution", "city" shall mean "district", and the advertising requirements shall be those fixed by KRS 424.130.

Section 15. A new section of Chapter 107 of the Kentucky Revised Statutes is created to read as follows:

The district may borrow money from any source on its own credit in anticipation of revenue to be derived from taxes or other income, and for such purposes the district may pledge the taxes or other income anticipated, subject to constitutional limitations. The district may enter into contracts with governmental units for the initiation of projects deemed to benefit such units, or which will be leased to such units, and such units may appropriate or advance funds to the district for its expenses, including general expenses of operation related thereto.

Section 16. A new section of Chapter 107 of the Kentucky Revised Statutes is created to read as follows:

In the issuance of either general obligation or revenue bonds by the district the provision of KRS 61.390 shall apply.

Section 17. A new section of Chapter 107 of the Kentucky Revised Statutes is created to read as follows:

In order to avoid duplication of functions within the area of the district, the district shall contract with the county for the performance of administrative functions, and all expenditures proposed by the district shall be submitted to the county judge for approval, subject to confirmation by the fiscal court; provided, however, that when a project has been undertaken and bonds issued after initial approval by the fiscal court as required by Section 7 hereof, the board shall have sole authority to determine whether or not to renew a contribution as provided in Section 9 hereof.

Section 18. A new section of Chapter 107 of the Kentucky Revised Statutes is created to read as follows:

Nothing herein shall be deemed to limit the conveyance of a project or any portion of a project to the federal government or any agency thereof in the manner required by federal statute.

Section 19. Sections 66.550 to 66.580, inclusive, of the Kentucky Revised Statutes, are hereby repealed.

Section 20. A new section of Chapter 107 of Kentucky Revised Statutes is created to read as follows: Prior to the instituting of an action for condemnation the board shall secure the approval of the fiscal court for such action.

Section 21. A new section of Chapter 107 of Kentucky Revised Statutes is created to read as follows:

The Board shall annually file a written report concerning its operations with the County Judge.

SB 389, AN ACT relating to enforcement of standards of safety.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Section 227.320 of the Kentucky Revised Statutes is amended to read as follows:

The authorities of any county, city or other political subdivision may adopt and enforce the Standards of Safety promulgated by the Commissioner of Public Safety [.] *by its respective police force, and may enter upon private property to enforce required fire lane open space in parking lots containing space for ten or more vehicles.* Whenever the commissioner, by rules and regulations prescribes a standard of safety from fire loss, such rules and regulations shall establish a minimum requirement concerning the matters covered thereby and shall be so construed in relation to any local rules and regulations.

Senate Message

Announcing passage of **HB 320, HB 309, HB 414** with Amendment, **SB 45** and **HB 286.**

Announcements

Representative DeMarcus filed an amendment to **SB 234.**

Representative Schmidt filed an amendment to **SR 63.**

The Clerk announced the following Bills and Resolutions have been posted for consideration:

Appropriations and Revenue: **SB 402, SB 371, SB 406, SB 404** and **SB 327.**

The Clerk announced the following Bill has been withdrawn from consideration:

Judiciary: **HB 735.**

Representative Lewis announced he wished to vote "yea" on **SB 192** and **SB 194.**

Representative Swinford announced he wished to vote "yea" on **SB 194, SB 215** and **SB 223.**

Representative Tobin announced he wished to vote "yea" on **SB 241.**

Representative Wible announced he wished to vote "yea" on **SB 194, SB 215, SB 223** and **SB 241.**

Representative Pollitte announced he wished to vote "yea" on **SB 215, SB 298.**

Representative Lewis announced he wished to vote "yea" on **SB 215.**

Representative Rickert announced he wished to vote "yea" on **SB 253, SB 351** and **SB 298.**

Representative Roberts announced he wished to vote "yea" on **SB 257.**

Representative Clarke announced he wished to vote "yea" on **SB 303, SB 351, SB 253, SB 168, SB 177, SB 192, SB 194, SB 215, SB 223** and **SB 241.**

Representative McBrayer moved that the House adjourn until 10:00 a.m., Thursday, March 19, 1970. Agreed.

THURSDAY, MARCH 19, 1970
FIFTY-NINTH LEGISLATIVE DAY

The House was called to order by Speaker Carroll.

Prayer by the Reverend Charles N. King, Corinthian Baptist Church, Frankfort.

The roll was called. All present except Representative McGill.

Representative Isler moved that absent members be granted leave of absence. Agreed.

Representative McNamara moved that the reading of the Journal of March 18, 1970, be dispensed with and the same approved. Agreed.

Calendar

SB 12, SB 43, SB 129, SB 227, SB 234, SB 286, SB 309, SB 312, SB 327, SB 358, SB 378, SB 371, SB 382, SB 387, SB 389, SB 224, SB 402, SB 406, SB 404, HR 110, SB 269, SR 52, SR 56 and **SR 63** taken from the Calendar and ordered read at length for the second time. Representative McBrayer moved that they be read by title only. Agreed by a majority of members elected. Ordered placed in Orders of the Day.

Motions, Petitions and Communications

Representative Wright filed an amendment to **SB 15.**

Representative L. T. Hardin announced he wished to vote "yea" on **SB 253.**

Representative Massey moved that the motion to reconsider the vote by which **SB 274** was passed and to postpone said motion indefinitely be reconsidered.

On the roll call the vote was yeas 38—Alexander, Arnett, Bartley, Blandford, Bleemel, Edward G. Brown, Bruce, Clapp, James A. Davis, Walter Davis, DeMarcus, Deskins, Dorris, Durham, Freeman, Graves, Hinkle, Huff, Hughes, Isler, Kessinger,

Lewis, Louden, Lovins, Massey, Parish, Rattliff, Ray, Reed, T. P. Reynolds, Roberts, Salyers, Siemens, Van Horn, Wells, West, Wheeler, Wright. Nays 14—Baker, Blythe, Clarke, Conn, Kleier, McBride, McCann, Nett, Paxton, Peak, Stuart, Swinford, Wible, Wyatt.

The motion that the motion to reconsider the vote by which **SB 274** was passed and to postpone said motion indefinitely be reconsidered was rejected.

HR 123, by Representative Blythe: A RESOLUTION inviting the Kentucky State College Thorobreds to appear before the House of Representatives.

WHEREAS, the Kentucky State College Thorobred basketball team has brought a national championship crown to Kentucky; and

WHEREAS, this body has gone on record with a formal vote of congratulations to these deserving champions; and

WHEREAS, this body would like to personally express its appreciation for the fine effort made by the Thorobreds both during the season and during the NAIA tournament at Kansas City;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

That this body cordially invites Coach Mitchell and his Thorobred basketball team to appear before the House of Representatives at 11:30 a.m. on Thursday, March 19, to receive the personal congratulations of the General Assembly.

Representative Blythe moved the adoption of **HR 123.** Agreed.

Representative Graves announced he wished to vote "yea" on **SB 194, SB 213, SB 215, SB 216** and **SB 223.**

Speaker Pro Tempore Blume presiding.

Orders of the Day

Representative McBrayer moved that consideration of **HB 452, HB 691, HB 555,** and **HB 688** be deferred and that they retain their position in Orders of the Day. Agreed.

Representative McBrayer moved that **HB 474** be recommitted to the Committee on Judiciary. Agreed.

The Speaker resumed the Chair.

Report on Enrolled Bills

The Committee on Enrollment reported **SB 7, SB 6, SR 36, SB 67, SB 73, SB 193, SB 215, SB 223, SB 228, SB 241, SB 259, SB 261, SB 267, SB 274, SB 283, SB 290, SB 311, SB 303, SB 304, SB 320, HB 71, HB 320, HB 659, HB 356, HB 286, HB 309, HB 223, HB 253, HB 64** and **HB 351** had been examined and found correctly enrolled. **SB 7, SB 6, SR 36, SB 67, SB 73, SB 193, SB 215, SB 223, SB 228, SB 241, SB 259, SB 261, SB 267, SB 274, SB 283, SB 290, SB 311, SB 303, SB 304, SB 320, HB 71, HB 320, HB 659, HB 356, HB 286, HB 309, HB 223, HB 253, HB 64** and **HB 351** read at length, compared and signed in open session by the Speaker. Ordered delivered to the Senate.

Representative Siemens moved that **HB 253** be named the "Leo Bleemel Bill". Agreed.

Orders of the Day (Continued)

SB 285 taken from Orders of the Day and ordered read at length for the third time. Representative McBrayer moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

On the roll call the vote was yeas 83—Allen, Arnett, Baker, Bartley, Blandford, Bleemel, Blume, Blythe, Archie Brown, Hershel Brown, Bruce, Carter, Chapman, Clarke, Collins, Conn, Curlin, James A. Davis, DeMarcus, Deskins, Donnermeyer, Dorris, Durham, Floyd, Graves, Haney, John O. Hardin, L. T. Hardin, Head, Hinkle, Holloway, Huff, Hughes, Isler, Keene, Ken-

ton, Kessinger, Kidd, Kleier, Knuckles, Lewis, Lindsay, Louden, Lovins, McBrayer, McBride, McCann, McNamara, Massey, May, Mershon, Mitchell, Nett, Parish, Paxton, Peak, Pollitte, Prather, Priddy, Rattliff, Ray, Reed, Russell Reynolds, T. P. Reynolds, W. J. Reynolds, Rickert, Salyers, Schmidt, Sharpe, Simmons, Stuart, Swinford, Tobin, Van Horn, Wenz, West, Wheeler, Glenn White, John E. White, Wible, Wright, Wyatt, Yocom. Nays 1—Roberts.

SB 285 was passed and the title agreed to.

Representative McBrayer moved that the vote by which **SB 285** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

Representative McBrayer moved that the House concur in the following Senate Amendment to **HB 414:**

Amend printed copy of House Bill 414 on pages 12 and 13, lines 27 and 28 and 1 respectively by
deleting all words from and including "be" on page 12, line 27, through "discretion" on page 13, line 1, and substituting therefor the following:

"not be conclusive of such determination but shall be subject to the approval of the fiscal court or courts of the county or counties in which the property sought to be condemned is located."

Agreed.

On the roll call the vote was yeas 81—Alexander, Allen, Arnett, Baker, Bartley, Blandford, Bleemel, Blume, Blythe, Archie Brown, Hershel Brown, Carter, Chapman, Clapp, Clarke, Collins, Conn, Curlin, James A. Davis, Walter Davis, DeMarcus, Deskins, Donnermeyer, Dorris, Durham, Floyd, Haney, John O. Hardin, L. T. Hardin, Head, Hinkle, Holloway, Huff, Hughes, Isler, Keene, Kenton, Kessinger, Kidd, Kleier, Knuckles, Lewis, Lindsay, McBrayer, McBride, McCann, McNamara, Massey, May, Mershon, Nett, Parish, Paxton, Peak, Pollitte, Prather, Priddy, Ray, Reed, Russell Reynolds, T. P. Reynolds, Rickert, Ruh, Salyers, Schmidt, Sharpe, Simmons, Stuart, Swinford, Tobin, Van Horn, Wells, Wenz, West, Wheeler, Glenn White, John E. White, Wible, Wright, Wyatt, Yocom. Nays 0,

HB 414 as amended was passed and the title agreed to.

Representative McBrayer moved that the House concur in the following Senate Amendment to **HB 11:**

Amend printed copy of House Bill 11 on page 1, line 6, by: inserting after the word "lease" the words *"or easement"*

Agreed.

On the roll call the vote was yeas 75—Alexander, Arnett, Baker, Bartley, Blandford, Bleemel, Blume, Archie Brown, Hershel Brown, Carter, Chapman, Clapp, Collins, Conn, James A. Davis, DeMarcus, Deskins, Donnermeyer, Dorris, Durham, Floyd, Graves, Haney, John O. Hardin, L. T. Hardin, Head, Hinkle, Holloway, Huff, Hughes, Isler, Keene, Kenton, Kessinger, Kidd, Kleier, Knuckles, Lewis, Lindsay, Louden, Lovins, McBrayer, McBride, McCann, May, Mershon, Mitchell, Nett, Parish, Paxton, Peak, Pollitte, Prather, Priddy, Rattliff, Reed, Russell Reynolds, T. P. Reynolds, W. J. Reynolds, Rickert, Salyers, Sharpe, Simmons, Swinford, Tobin, Van Horn, Wells, Wenz, West, Wheeler, Glenn White, John E. White, Wible, Wright, Wyatt. Nays 0.

HB 11 as amended was passed and the title agreed to.

SB 213 taken from Orders of the Day and ordered read at length for the third time. Representative McBrayer moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

On the roll call the vote was yeas 74—Alexander, Allen, Arnett, Baker, Blandford, Bleemel, Blume, Archie Brown, Hershel Brown, Chapman, Clapp, Clarke, Collins, Conn, Curlin, James A. Davis, Walter Davis, DeMarcus, Deskins, Donnermeyer, Dorris, Durham, Floyd, Haney, L. T. Hardin, Head, Hinkle, Holloway, Huff, Hughes, Isler, Keene, Kenton, Kessinger, Kidd, Kleier, Knuckles, Lewis, Lindsay, Louden, McBrayer, McBride, McCann, McNamara, Mershon, Mitchell, Nett, Parish, Paxton, Peak, Prather, Priddy, Rattliff, Ray, Reed, T. P. Reynolds, Rickert, Ruh, Salyers, Schmidt, Sharpe, Simmons, Swinford, Tobin, Van Horn, Wenz, West, Wheeler, Glenn White, John E. White, Wible, Wright, Wyatt, Yocom. Nays 1—Roberts.

SB 213 was passed and the title agreed to.

Representative Murphy announced he wished to vote "yea" on SB 89.

SB 294 taken from Orders of the Day and ordered read at length for the third time. Representative McBrayer moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

On the roll call the vote was yeas 81—Allen, Arnett, Baker, Bartley, Blandford, Bleemel, Blume, Blythe, Archie Brown, Hershel Brown, Bruce, Carter, Chapman, Clapp, Clarke, Collins, Conn, Curlin, James A. Davis, Walter Davis, DeMarcus, Deskins, Donnermeyer, Dorris, Durham, Floyd, Freeman, Graves, Haney, John O. Hardin, L. T. Hardin, Head, Hinkle, Holloway, Huff, Hughes, Isler, Keene, Kessinger, Kidd, Knuckles, Lewis, Lindsay, Louden, Lovins, McBrayer, McBride, McCann, McNamara, Massey, May, Mershon, Mitchell, Nett, Paxton, Peak, Prather, Priddy, Rattliff, Ray, Reed, Russell Reynolds, T. P. Reynolds, W. J. Reynolds, Rickert, Ruh, Salyers, Sharpe, Simmons, Stuart, Swinford, Tobin, Van Horn, Wells, Wenz, West, Wheeler, John E. White, Wible, Wright, Wyatt. Nays 1—Roberts.

SB 294 was passed and the title agreed to.

Representative McBrayer moved that the vote by which SB 294 was passed be reconsidered and said motion be postponed indefinitely. Agreed.

SB 305 taken from Orders of the Day and ordered read at length for the third time. Representative McBrayer moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

On the roll call the vote was yeas 77—Allen, Arnett, Baker, Blandford, Bleemel, Blume, Archie Brown, Hershel Brown, Bruce, Carter, Chapman, Clarke, Collins, Conn, Curlin, James A. Davis, DeMarcus, Donnermeyer, Dorris, Durham, Floyd, Graves, Haney, John O. Hardin, L. T. Hardin, Head, Hinkle, Holloway, Huff, Hughes, Isler, Keene, Kenton, Kessinger, Kidd, Kleier, Knuckles, Lewis, Lindsay, Louden, Lovins, McBrayer, McBride, McCann, McNamara, Massey, Mershon, Mitchell, Nett, Parish, Paxton, Peak, Prather, Priddy, Rattliff, Ray, Reed, Russell

Reynolds, T. P. Reynolds, W. J. Reynolds, Rickert, Salyers, Schmidt, Sharpe, Simmons, Stuart, Swinford, Tobin, Van Horn, Wenz, West, Wheeler, Glenn White, John E. White, Wible, Wyatt, Yocom. Nays 1—Roberts.

SB 305 was passed and the title agreed to.

Representative McBrayer moved that the vote by which **SB 305** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

SR 58 taken from Orders of the Day and ordered read at length for the third time. Representative E. G. Brown moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

On the roll call the vote was yeas 68—Arnett, Baker, Bartley, Blandford, Bleemel, Blume, Archie Brown, Edward G. Brown, Hershel Brown, Bruce, Carter, Chapman, Clapp, Clarke, Curlin, James A. Davis, DeMarcus, Deskins, Donnermeyer, Dorris, Durham, Floyd, Graves, Haney, L. T. Hardin, Head, Hinkle, Holloway, Huff, Hughes, Isler, Keene, Kenton, Kessinger, Kidd, Knuckles, Lewis, Lindsay, McBride, McCann, McNamara, Massey, Mershon, Mitchell, Paxton, Peak, Prather, Priddy, Rattliff, Reed, Russell Reynolds, W. J. Reynolds, Rickert, Ruh, Salyers, Sharpe, Simmons, Swinford, Tobin, Van Horn, Wells, Wenz, West, Wheeler, Glenn White, John E. White, Wible, Wright. Nays 1—Roberts.

SR 58 was passed and the title agreed to.

Representative E. G. Brown moved that the vote by which **SR 58** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

SB 89 taken from Orders of the Day and ordered read at length for the third time. Representative E. G. Brown moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

On the roll call the vote was yeas 79—Allen, Arnett, Bartley, Blandford, Bleemel, Blume, Archie Brown, Edward G. Brown, Hershel Brown, Carter, Chapman, Clapp, Clarke, Conn, Curlin, James A. Davis, Walter Davis, DeMarcus, Donnermeyer, Durham, Floyd, Freeman, Graves, Haney, L. T. Hardin, Head,

Hinkle, Holloway, Huff, Hughes, Isler, Keene, Keith, Kenton, Kessinger, Kidd, Kleier, Knuckles, Lewis, Louden, McBrayer, McBride, McCann, McNamara, Massey, Mershon, Miller, Mitchell, Murphy, Nett, Paxton, Peak, Pollitte, Priddy, Rattliff, Ray, Reed, Russell Reynolds, T. P. Reynolds, W. J. Reynolds, Rickert, Roberts, Salyers, Schmidt, Sharpe, Simmons, Stuart, Swinford, Tobin, Van Horn, Wells, Wenz, West, Wheeler, Glenn White, John E. White, Wible, Wright, Yocom. Nays 7—Baker, Bruce, Dorris, Lindsay, Lovins, Prather, Ruh.

SB 89 was passed and the title agreed to.

Representative E. G. Brown moved that the vote by which **SB 89** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

SB 340 taken from Orders of the Day and ordered read at length for the third time. Representative E. G. Brown moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

On the roll call the vote was yeas 81—Allen, Arnett, Baker, Bartley, Blandford, Bleemel, Archie Brown, Edward G. Brown, Hershel Brown, Bruce, Chapman, Clapp, Clarke, Conn, Curlin, James A. Davis, DeMarcus, Donnermeyer, Dorris, Floyd, Freeman, Graves, Haney, L. T. Hardin, Head, Hinkle, Holloway, Huff, Hughes, Isler, Keene, Kenton, Kessinger, Kidd, Kleier, Knuckles, Lewis, Lindsay, Louden, McBrayer, McBride, McCann, McNamara, Massey, Mershon, Miller, Mitchell, Nett, Parish, Paxton, Peak, Pollitte, Prather, Priddy, Rattliff, Ray, Reed, Russell Reynolds, T. P. Reynolds, W. J. Reynolds, Rickert, Roberts, Ruh, Salyers, Schmidt, Sharpe, Siemens, Simmons, Stuart, Swinford, Tobin, Van Horn, Wells, Wenz, West, Wheeler, Glenn White, John E. White, Wible, Wright, Yocom. Nays 0.

SB 340 was passed and the title agreed to.

Representative E. G. Brown moved that the vote by which **SB 340** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

SB 15 taken from Orders of the Day and ordered read at length for the third time. Representative E. G. Brown moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative E. G. Brown moved that consideration of **SB. 15** be temporarily deferred. Agreed.

SB. 23 taken from Orders of the Day and ordered read at length for the third time. Representative E. G. Brown moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

On the roll call the vote was yeas 77—Allen, Arnett, Baker, Bartley, Blandford, Bleemel, Archie Brown, Edward G. Brown, Hershel Brown, Bruce, Carter, Chapman, Clarke, Conn, Curlin, James A. Davis, DeMarcus, Deskins, Donnermeyer, Dorris, Durham, Floyd, Graves, L. T. Hardin, Head, Hinkle, Holloway, Huff, Hughes, Isler, Keene, Kenton, Kessinger, Kleier, Knuckles, Lewis, Lindsay, Louden, Lovins, McBrayer, McBride, McCann, Massey, May, Mershon, Miller, Murphy, Parish, Paxton, Peak, Pollitte, Prather, Priddy, Rattliff, Ray, Reed, Russell Reynolds, T. P. Reynolds, W. J. Reynolds, Rickert, Ruh, Salyers, Schmidt, Sharpe, Stuart, Swinford, Tobin, Van Horn, Wells, Wenz, West, Wheeler, John E. White, Wible, Wright, Wyatt, Yocom. Nays 0.

SB. 23 was passed and the title agreed to.

Representative E. G. Brown moved that the vote by which **SB. 23** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

SB. 169 taken from Orders of the Day and ordered read at length for the third time. Representative E. G. Brown moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

On the roll call the vote was yeas 67—Allen, Arnett, Baker, Bartley, Blandford, Blume, Archie Brown, Edward G. Brown, Hershel Brown, Carter, Chapman, Clarke, Conn, Curlin, Deskins, Dorris, Durham, Floyd, Graves, Haney, L. T. Hardin, Head, Hinkle, Huff, Hughes, Isler, Keene, Keith, Kenton, Kidd, Knuckles, Lewis, Lindsay, Louden, Lovins, McBrayer, McBride, McNamara, May, Mershon, Miller, Murphy, Parish, Paxton, Peak, Prather, Priddy, Rattliff, Ray, Reed, Russell Reynolds, T. P. Reynolds, Ruh, Salyers, Schmidt, Sharpe, Stuart, Swinford, Tobin, Van Horn, Wells, Wenz, West, Wheeler, John E. White, Wible, Yocom. Nays 4—J. Davis, W. Davis, Nett, Roberts.

SB 169 was passed and the title agreed to.

Representative E. G. Brown moved that the vote by which **SB 169** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

SB 179, with Committee Amendment attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative E. G. Brown moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative J. Hardin moved the adoption of the Committee Amendment to **SB 179.** Agreed.

On the roll call the vote was yeas 71—Alexander, Allen, Arnett, Baker, Bartley, Blandford, Blume, Archie Brown, Edward G. Brown, Bruce, Carter, Chapman, Clarke, Conn, Curlin, DeMarcus, Deskins, Donnermeyer, Dorris, Durham, Freeman, Graves, Haney, L. T. Hardin, Head, Hinkle, Holloway, Isler, Keith, Kenton, Kidd, Kleier, Knuckles, Lewis, Lindsay, Louden, Lovins, McBrayer, McBride, McCann, McNamara, May, Mershon, Murphy, Nett, Parish, Paxton, Peak, Pollitte, Prather, Priddy, Rattliff, Ray, Russell Reynolds, T. P. Reynolds, Ruh, Sharpe, Siemens, Simmons, Swinford, Tobin, Van Horn, Wells, Wenz, West, Wheeler, Glenn White, John E. White, Wible, Wright, Yocom. Nays 10—Bleemel, H. Brown, Collins, W. Davis, Huff, Hughes, Kessinger, W. J. Reynolds, Roberts, Salyers.

SB 179 as amended was passed and the title agreed to.

Representative E. G. Brown moved that the vote by which **SB 179** as amended was passed be reconsidered and said motion be postponed indefinitely. Agreed.

SB 15 taken from Orders of the Day and ordered read at length for the third time. Representative E. G. Brown moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Wright moved the adoption of the following Amendment to **SB 15:**

Amend printed copy of Senate Bill 15 on page 1 by striking everything after the enacting clause and inserting in lieu thereof the following:

"Section 1. A new section of Chapter 117 of the Kentucky Revised Statutes is created to read as follows:

(1) In counties containing cities of the first class in addition to methods of voter registration set forth in KRS Chapter 117, and other provisions of law to the contrary notwithstanding, any person qualified to register to vote may register at his precinct on a primary election day.

(2) For purposes of this section the polling place in each precinct of a county containing a city of the first class, including those precincts located within the city limits of any city in the county, shall be considered a branch voter registration office. The election officers in that precinct shall be qualified to fill out applications for voter registration.

(3) Any person registered to vote under this section shall not be eligible to vote the day he registers, but shall be eligible to vote at any election taking place thirty days after the primary." Agreed.

On the roll call the vote was yeas 82—Alexander, Allen, Arnett, Baker, Bartley, Blandford, Bleemel, Blume, Blythe, Archie Brown, Hershel Brown, Carter, Chapman, Clarke, Collins, Conn, Curlin, James A. Davis, DeMarcus, Deskins, Donnermeyer, Dorris, Durham, Freeman, Graves, Haney, L. T. Hardin, Head, Hinkle, Holloway, Huff, Hughes, Isler, Keene, Keith, Kenton, Kessinger, Kidd, Kleier, Knuckles, Lewis, Lindsay, Louden, Lovins, McBrayer, McBride, McCann, McNamara, Massey, May, Mershon, Miller, Mitchell, Nett, Parish, Paxton, Peak, Pollitte, Prather, Priddy, Ray, Reed, T. P. Reynolds, W. J. Reynolds, Rickert, Ruh, Salyers, Schmidt, Sharpe, Siemens, Simmons, Swinford, Tobin, Van Horn, Wenz, West, Wheeler, John E. White, Wible, Wright, Wyatt, Yocom. Nays 1—Roberts.

SB 15 as amended was passed and the title agreed to.

Representative E. G. Brown moved that the vote by which **SB 15** as amended was passed be reconsidered and said motion be postponed indefinitely. Agreed.

Representative Kidd announced she wished to vote "yea" on **SB 23.**

Representative Rickert announced he wished to vote "yea" on **SB 15, SB 169, SB 179.**

SB 226 taken from Orders of the Day and ordered read at length for the third time. Representative E. G. Brown moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

On the roll call the vote was yeas 86—Alexander, Allen, Arnett, Baker, Bartley, Blandford, Bleemel, Blume, Blythe, Archie Brown, Hershel Brown, Bruce, Carter, Chapman, Clarke, Collins, Conn, Curlin, James A. Davis, DeMarcus, Deskins, Donnermeyer, Dorris, Durham, Floyd, Freeman, Graves, Haney, John O. Hardin, L. T. Hardin, Head, Hinkle, Holloway, Huff, Hughes, Isler, Keith, Kenton, Kessinger, Kidd, Kleier, Knuckles, Lewis, Lindsay, Louden, Lovins, McBrayer, McBride, McCann, McNamara, Massey, May, Mershon, Mitchell, Murphy, Nett, Parish, Paxton, Peak, Pollitte, Prather, Priddy, Rattliff, Ray, Reed, T. P. Reynolds, W. J. Reynolds, Rickert, Roberts, Ruh, Salyers, Schmidt, Sharpe, Simmons, Swinford, Tobin, Van Horn, Wenz, West, Wheeler, Glenn White, John E. White, Wible, Wright, Wyatt, Yocom. Nays 0.

SB 226 was passed and the title agreed to.

Representative E. G. Brown moved that the vote by which **SB 226** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

HR 124, by Representative McNamara: A RESOLUTION expressing gratitude to Representative Dwight Wells for his gracious hospitality.

HR 124, WHEREAS, as a host with a distinct flair for the elegant, Representative Dwight Wells, the Gentleman from Madison, knows no peer; and

WHEREAS, on the evening of Wednesday, March 18, 1970, he did display his talents in this regard to their fullest extent, for the benefit of his associates in the House of Representatives and their employees; and

WHEREAS, a repast of such succulence and magnificence was laid before that assemblage so as to dim from memory anything finer ever beheld thereby; and

WHEREAS, all who partook are grateful;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

That Representative Dwight Wells be and he hereby is extended the thanks and gratitude of the House of Representatives and its employees for his gracious hospitality and excellent supper fixings.

Representative McNamara moved the adoption of **HR 124.** Agreed.

Recess

Representative McNamara moved that the House recess for lunch until 1:00 p.m. Agreed.

At the appointed hour, the Speaker Pro Tempore resumed the Chair and called the House to order.

Representative McCann filed an amendment to **SB 402.**

Representative Curlin filed an amendment to **SB 378.**

Representative Swinford filed an amendment to **SB 227.**

Report of Committees

The Committee on Rules reported **SB 117** has been recommitted to the Committee on Appropriations and Revenue for additional amendment.

The Committee on Rules reported **SB 92, SB 93, SB 80, SB 94, SB 127, SB 153, SB 184, SB 188, SB 195, SB 207, SB 211, SB 221, SB 231, SB 245, SB 257, SB 275, SB 280, SB 291, SB 295, SB 319, SB 323, SB 341, SB 386, SB 388** and **HR 123** have been posted for passage in Orders of the Day, March 19, 1970.

Representative Lindsay announced he wished to vote "yea" on **SB 226.**

SB 284 taken from Orders of the Day and ordered read at length for the third time. Representative McBrayer moved that

it be read by title only and placed upon its passage. Agreed by a majority of members elected.

On the roll call the vote was yeas 71—Alexander, Allen, Arnett, Bartley, Blandford, Bleemel, Blume, Archie Brown, Edward G. Brown, Hershel Brown, Bruce, Carroll, Carter, Chapman, Clapp, Clarke, Collins, Conn, Curlin, James A. Davis, Walter Davis, Deskins, Dorris, Floyd, Freeman, Graves, Haney, L. T. Hardin, Hinkle, Holloway, Isler, Keith, Kenton, Kidd, King, Kleier, Lewis, Louden, McBrayer, McBride, McCann, McKinney, May, Mershon, Mitchell, Murphy, Nett, Paxton, Peak, Pollitte, Prather, Priddy, Rattliff, Ray, Reed, Russell Reynolds, W. J. Reynolds, Ruh, Salyers, Sharpe, Siemens, Simmons, Swinford, Tobin, Van Horn, West, Wheeler, John E. White, Wible, Wright, Wyatt. Nays 12—Baker, Blythe, DeMarcus, Head, Huff, Keith, Lindsay, Lovins, Parish, Rickert, Schmidt, Stuart.

SB 284 was passed and the title agreed to.

Representative McBrayer moved that the vote by which **SB 284** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

SB 93 taken from Orders of the Day and ordered read at length for the third time. Representative McBrayer moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

On the roll call the vote was yeas 74—Alexander, Baker, Bartley, Blandford, Bleemel, Blythe, Archie Brown, Edward G. Brown, Hershel Brown, Bruce, Carter, Clapp, Clarke, James A. Davis, Walter Davis, Deskins, Donnermeyer, Dorris, Durham, Floyd, Freeman, Graves, Haney, John O. Hardin, L. T. Hardin, Head, Hinkle, Holloway, Huff, Isler, Keith, Kenton, Kidd, Kleier, Lewis, Lindsay, Louden, Lovins, McBrayer, McBride, Massey, May, Mershon, Mitchell, Murphy, Nett, Osborne, Parish, Paxton, Peak, Pollitte, Prather, Priddy, Rattliff, Ray, Reed, Russell Reynolds, W. J. Reynolds, Rickert, Ruh, Salyers, Schmidt, Sharpe, Siemens, Simmons, Stuart, Swinford, Tobin, Van Horn, Wells, West, John E. White, Wible, Wyatt. Nays 0.

SB 93 was passed and the title agreed to.

Representative McBrayer moved that the vote by which **SB**

93 was passed be reconsidered and said motion be postponed indefinitely. Agreed.

SB 92 taken from Orders of the Day and ordered read at length for the third time. Representative McBrayer moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

On the roll call the vote was yeas 70—Alexander, Allen, Baker, Bartley, Blandford, Bleemel, Blume, Blythe, Archie Brown, Edward G. Brown, Hershel Brown, Bruce, Carter, Clapp, Clarke, James A. Davis, Walter Davis, Deskins, Dorris, Durham, Floyd, Graves, John O. Hardin, L. T. Hardin, Head, Hinkle, Huff, Hughes, Isler, Kenton, Kessinger, Kidd, Kleier, Lewis, Lindsay, Lovins, McBrayer, McBride, May, Mershon, Murphy, Osborne, Parish, Paxton, Peak, Pollitte, Prather, Priddy, Ray, Reed, Russell Reynolds, W. J. Reynolds, Rickert, Ruh, Salyers, Schmidt, Sharpe, Siemens, Simmons, Stuart, Swinford, Tobin, Van Horn, Wells, Wenz, West, Glenn White, John E. White, Wible, Wyatt. Nays 0.

SB 92 was passed and the title agreed to.

Representative McBrayer moved that the vote by which **SB 92** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

SB 94 taken from Orders of the Day and ordered read at length for the third time. Representative McBrayer moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

On the roll call the vote was yeas 77—Alexander, Allen, Arnett, Baker, Bartley, Blandford, Bleemel, Blume, Blythe, Edward G. Brown, Hershel Brown, Bruce, Carter, Clapp, Clarke, James A. Davis, Walter Davis, Deskins, Donnermeyer, Dorris, Durham, Floyd, Freeman, Graves, Haney, John O. Hardin, L. T. Hardin, Head, Hinkle, Holloway, Huff, Isler, Keith, Kenton, Kessinger, Kidd, Kleier, Lewis, Lindsay, Lovins, McBrayer, McBride, Massey, Mershon, Mitchell, Murphy, Nett, Osborne, Parish, Paxton, Peak, Pollitte, Prather, Priddy, Ray, Reed, Russell Reynolds, T. P. Reynolds, W. J. Reynolds, Rickert, Ruh, Salyers, Schmidt, Sharpe, Siemens, Simmons, Swinford, Tobin, Van Horn, Wenz, West, Wheeler, Glenn White, John E. White, Wible, Wright, Wyatt. Nays 0.

SB 94 was passed and the title agreed to.

Representative McBrayer moved that the vote by which **SB 94** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

SB 127 taken from Orders of the Day and ordered read at length for the third time. Representative McBrayer moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

On the roll call the vote was yeas 71—Alexander, Allen, Arnett, Baker, Bartley, Bleemel, Blume, Blythe, Edward G. Brown, Hershel Brown, Carter, Clapp, Clarke, Conn, James A. Davis, Walter Davis, DeMarcus, Donnermeyer, Durham, Floyd, Haney, John O. Hardin, L. T. Hardin, Head, Hinkle, Holloway, Huff, Isler, Keith, Kenton, Kessinger, Kidd, Knuckles, Lewis, Lindsay, Lovins, McBrayer, McBride, Massey, May, Mershon, Mitchell, Murphy, Nett, Osborne, Parish, Paxton, Peak, Prather, Priddy, Ray, Russell Reynolds, T. P. Reynolds, W. J. Reynolds, Rickert, Ruh, Salyers, Sharpe, Siemens, Simmons, Stuart, Swinford, Tobin, Van Horn, Wenz, West, Wheeler, John E. White, Wible, Wright, Wyatt. Nays 4—Bruce, Graves, Reed, G. White.

SB 127 was passed and the title agreed to.

Representative McBrayer moved that the vote by which **SB 127** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

SB 153 taken from Orders of the Day and ordered read at length for the third time. Representative McBrayer moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

On the roll call the vote was yeas 73—Alexander, Allen, Arnett, Baker, Bartley, Blandford, Bleemel, Blythe, Edward G. Brown, Hershel Brown, Carter, Clarke, Collins, Conn, James A. Davis, Walter Davis, DeMarcus, Deskins, Donnermeyer, Dorris, Durham, Floyd, Graves, Haney, John O. Hardin, L. T. Hardin, Head, Hinkle, Holloway, Huff, Isler, Keene, Keith, Kenton, Kessinger, Kidd, Knuckles, Lewis, Lindsay, McBrayer, McBride, Massey, May, Mershon, Mitchell, Nett, Osborne, Parish, Paxton, Prather, Priddy, Ray, Reed, Russell Reynolds, T. P. Reynolds,

W. J. Reynolds, Rickert, Ruh, Salyers, Schmidt, Sharpe, Siemens, Simmons, Swinford, Tobin, Van Horn, Wenz, Wheeler, Glenn White, John E. White, Wible, Wright, Wyatt. Nays 0.

SB 153 was passed and the title agreed to.

Representative McBrayer moved that the vote by which SB 153 was passed be reconsidered and said motion be postponed indefinitely. Agreed.

SB 184 taken from Orders of the Day and ordered read at length for the third time. Representative McBrayer moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

On the roll call the vote was yeas 82—Alexander, Allen, Arnett, Baker, Bartley, Blandford, Bleemel, Blume, Blythe, Archie Brown, Edward G. Brown, Hershel Brown, Bruce, Carter, Clapp, Collins, Conn, James A. Davis, Walter Davis, DeMarcus, Deskins, Donnermeyer, Dorris, Durham, Floyd, Freeman, Graves, Haney, John O. Hardin, L. T. Hardin, Head, Hinkle, Holloway, Huff, Isler, Keene, Keith, Kenton, Kessinger, Kidd, Kleier, Knuckles, Lovins, McBrayer, McBride, Massey, May, Mershon, Murphy, Nett, Osborne, Parish, Paxton, Peak, Pollitte, Prather, Priddy, Rattliff, Ray, Reed, Russell Reynolds, T. P. Reynolds, W. J. Reynolds, Rickert, Ruh, Salyers, Schmidt, Sharpe, Simmons, Stuart, Swinford, Tobin, Van Horn, Wells, Wenz, West, Wheeler, Glenn White, John E. White, Wible, Wright, Wyatt. Nays 1—Roberts.

SB 184 was passed and the title agreed to.

Representative McBrayer moved that the vote by which SB 184 was passed be reconsidered and said motion be postponed indefinitely. Agreed.

SB 188 taken from Orders of the Day and ordered read at length for the third time. Representative McBrayer moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

On the roll call the vote was yeas 81—Alexander, Allen, Arnett, Baker, Bartley, Blandford, Bleemel, Blume, Blythe, Archie Brown, Edward G. Brown, Hershel Brown, Bruce, Carter, Clapp, Clarke, Collins, Conn, James A. Davis, Walter Davis,

DeMarcus, Deskins, Dorris, Durham, Floyd, Graves, Haney, John O. Hardin, L. T. Hardin, Head, Hinkle, Holloway, Huff, Hughes, Isler, Keene, Kenton, Kessinger, Kidd, King, Kleier, Knuckles, Lewis, Lindsay, Lovins, McBrayer, McBride, Massey, May, Mershon, Nett, Osborne, Parish, Paxton, Peak, Prather, Priddy, Rattliff, Ray, Russell Reynolds, T. P. Reynolds, W. J. Reynolds, Rickert, Ruh, Salyers, Schmidt, Sharpe, Siemens, Simmons, Stuart, Swinford, Tobin, Van Horn, Wells, Wenz, West, Wheeler, Glenn White, John E. White, Wible, Wyatt. Nays 0.

SB 188 was passed and the title agreed to.

Representative McBrayer moved that the vote by which SB 188 was passed be reconsidered and said motion be postponed indefinitely. Agreed.

SB 195 taken from Orders of the Day and ordered read at length for the third time. Representative McBrayer moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

On the roll call the vote was yeas 44—Alexander, Allen, Arnett, Blandford, Bleemel, Blume, Blythe, Archie Brown, Edward G. Brown, Hershel Brown, Carter, Collins, Deskins, Freeman, Haney, John O. Hardin, L. T. Hardin, Hinkle, Hughes, Isler, Kenton, Kessinger, Knuckles, McBrayer, Massey, May, Mershon, Mitchell, Paxton, Pollitte, Prather, Priddy, Russell Reynolds, T. P. Reynolds, W. J. Reynolds, Salyers, Sharpe, Siemens, Stuart, Swinford, Glenn White, Wible, Wright, Wyatt. Nays 17—Baker, Bartley, Clapp, Clarke, Dorris, Graves, Huff, Kleier, Lewis, Lindsay, Lovins, McBride, Peak, Reed, Rickert, Ruh, Van Horn.

SB 195 was passed and the title agreed to.

Representative McBrayer moved that the vote by which SB 195 was passed be reconsidered and said motion be postponed indefinitely. Agreed.

SB 207, with Committee Amendment attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative McBrayer moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Kenton moved the adoption of the Committee Amendment to **SB 207.** Agreed.

On the roll call the vote was yeas 77—Alexander, Allen, Arnett, Baker, Bartley, Blandford, Bleemel, Blume, Archie Brown, Edward G. Brown, Hershel Brown, Bruce, Carter, Clarke, Collins, Conn, James A. Davis, DeMarcus, Deskins, Durham, Floyd, Graves, Haney, John O. Hardin, L. T. Hardin, Head, Hinkle, Holloway, Huff, Hughes, Isler, Keene, Keith, Kenton, Kessinger, Kidd, Knuckles, Lewis, Lindsay, Louden, Lovins, McBrayer, McBride, McNamara, Massey, May, Mershon, Mitchell, Nett, Parish, Paxton, Peak, Prather, Priddy, Rattliff, Ray, Reed, Russell Reynolds, T. P. Reynolds, W. J. Reynolds, Rickert, Salyers, Sharpe, Simmons, Stuart, Swinford, Tobin, Van Horn, Wells, Wenz, West, Wheeler, Glenn White, John E. White, Wible, Wright, Yocom. Nays 0.

SB 207 as amended was passed and the title agreed to.

Representative McBrayer moved that the vote by which **SB 207** as amended was passed be reconsidered and said motion be postponed indefinitely. Agreed.

SB 211 taken from Orders of the Day and ordered read at length for the third time. Representative McBrayer moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

On the roll call the vote was yeas 84—Alexander, Allen, Arnett, Baker, Bartley, Blandford, Bleemel, Blume, Blythe, Archie Brown, Edward G. Brown, Hershel Brown, Bruce, Carroll, Chapman, Clapp, Clarke, Collins, Conn, James A. Davis, Walter Davis, DeMarcus, Deskins, Donnermeyer, Dorris, Durham, Floyd, Graves, Haney, John O. Hardin, L. T. Hardin, Head, Hinkle, Holloway, Huff, Hughes, Isler, Keene, Keith, Kenton, Kessinger, Kidd, King, Kleier, Lewis, Lindsay, Louden, Lovins, McBrayer, McBride, McNamara, Massey, May, Mershon, Mitchell, Murphy, Nett, Parish, Paxton, Peak, Pollitte, Priddy, Ray, Reed, Russell Reynolds, T. P. Reynolds, W. J. Reynolds, Rickert, Ruh, Salyers, Schmidt, Sharpe, Simmons, Stuart, Swinford, Tobin, Van Horn, Wells, Wenz, West, Wheeler, Wible, Wright, Yocom. Nays 0.

SB 211 was passed and the title agreed to.

Representative McBrayer moved that the vote by which **SB 211** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

SB 221 taken from Orders of the Day and ordered read at length for the third time. Representative McBrayer moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

On the roll call the vote was yeas 86—Alexander, Allen, Arnett, Baker, Bartley, Blandford, Bleemel, Blume, Blythe, Archie Brown, Edward G. Brown, Hershel Brown, Bruce, Carter, Chapman, Clapp, Clarke, Conn, James A. Davis, Walter Davis, DeMarcus, Deskins, Donnermeyer, Dorris, Durham, Floyd, Graves, Haney, John O. Hardin, Head, Hinkle, Holloway, Huff, Hughes, Isler, Keene, Keith, Kenton, Kessinger, King, Kleier, Knuckles, Lewis, Lindsay, Louden, Lovins, McBrayer, McBride, McNamara, Massey, May, Mershon, Miller, Mitchell, Murphy, Nett, Osborne, Parish, Paxton, Peak, Pollitte, Prather, Priddy, Rattliff, Ray, Reed, Russell Reynolds, T. P. Reynolds, W. J. Reynolds, Rickert, Ruh, Salyers, Schmidt, Sharpe, Simmons, Swinford, Tobin, Van Horn, Wells, Wenz, West, Wheeler, John E. White, Wible, Wright, Yocom. Nays 0.

SB 221 was passed and the title agreed to.

Representative McBrayer moved that the vote by which **SB 221** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

SB 231, with Committee Amendment attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative McBrayer moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Hinkle moved the adoption of the Committee Amendment to **SB 231**. Agreed.

On the roll call the vote was yeas 46—Alexander, Allen, Arnett, Blandford, Bleemel, Blume, Blythe, Edward G. Brown, Carroll, Carter, Chapman, Clarke, Conn, Curlin, Deskins, Dorris, Haney, John O. Hardin, Hinkle, Keene, Kenton, Kessinger, Kleier, Knuckles, Lewis, Lindsay, McBrayer, McCann, Massey, May,

Mitchell, Nett, Parish, Paxton, Peak, Pollitte, Prather, T. P. Reynolds, W. J. Reynolds, Rickert, Roberts, Salyers, Swinford, Wheeler, Wible, Wyatt. Nays 36—Baker, Bartley, A. Brown, H. Brown, Bruce, Clapp, Collins, DeMarcus, Donnermeyer, Durham, Floyd, Freeman, Graves, L. Hardin, Holloway, Huff, Hughes, Isler, King, Lovins, McBride, McKinney, Mershon, Murphy, Osborne, Ray, Reed, R. Reynolds, Ruh, Sharpe, Simmons, Stuart, Van Horn, G. White, Wright, Yocom.

SB 231 as amended was passed and the title agreed to.

Representative McBrayer moved that the vote by which **SB 231** as amended was passed be reconsidered and said motion be postponed indefinitely. Agreed.

Senate Message

Announcing passage of **HB 125, HB 158, HB 251, HB 426, HB 498, HB 429, SR 83, HB 250, HB 328** and **HB 466.**

SB 245 taken from Orders of the Day and ordered read at length for the third time. Representative McBrayer moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

On the roll call the vote was yeas 83—Alexander, Allen, Baker, Bartley, Blandford, Bleemel, Blume, Blythe, Archie Brown, Edward G. Brown, Hershel Brown, Bruce, Carter, Chapman, Clapp, Clarke, Collins, Conn, Curlin, James A. Davis, DeMarcus, Donnermeyer, Dorris, Durham, Floyd, Graves, Haney, John O. Hardin, L. T. Hardin, Head, Hinkle, Huff, Hughes, Isler, Keene, Keith, Kenton, Kessinger, King, Kleier, Lewis, Louden, Lovins, McBrayer, McBride, McCann, Massey, May, Mershon, Miller, Mitchell, Murphy, Nett, Osborne, Parish, Paxton, Peak, Pollitte, Prather, Priddy, Rattliff, Ray, Reed, Russell Reynolds, T. P. Reynolds, W. J. Reynolds, Rickert, Ruh, Salyers, Schmidt, Sharpe, Simmons, Stuart, Tobin, Wells, Wenz, West, Wheeler, Glenn White, Wible, Wright, Wyatt, Yocom. Nays 1—Van Horn.

SB 245 was passed and the title agreed to.

Representative McBrayer moved that the vote by which **SB 245** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

SB 156 taken from Orders of the Day and ordered read at length for the third time. Representative McBrayer moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative DeMarcus moved the adoption of the following Amendment to **SB 156:**

Amend printed copy of Senate Bill 156 on page 2, line 16, by: inserting after the designation "(2)" the designation "(a)" and below line 24, by inserting the following:

"(b) The Commissioner of the Department of Fish and Wildlife Resources may authorize conservation officers and other departmental personnel, while on official duty, to use sirens and suitable blue flashing lights on their vehicles in the performance of their duties as may be defined under Chapter 150 of the Kentucky Revised Statutes."

Rejected.

On the roll call the vote was yeas 86—Alexander, Allen, Baker, Bartley, Blandford, Bleemel, Blume, Blythe, Archie Brown, Edward G. Brown, Hershel Brown, Carter, Chapman, Clapp, Clarke, Collins, Conn, Curlin, James A. Davis, Walter Davis, DeMarcus, Deskins, Donnermeyer, Dorris, Durham, Floyd, Graves, Haney, John O. Hardin, L. T. Hardin, Head, Hinkle, Holloway, Hughes, Isler, Keene, Kenton, Kessinger, Kidd, King, Kleier, Knuckles, Lewis, Lindsay, Louden, Lovins, McBride, McKinney, Massey, May, Mershon, Miller, Mitchell, Nett, Osborne, Parish, Paxton, Peak, Pollitte, Prather, Priddy, Rattliff, Ray, Reed, T. P. Reynolds, W. J. Reynolds, Rickert, Ruh, Salyers, Schmidt, Sharpe, Simmons, Stuart, Swinford, Tobin, Van Horn, Wells, Wenz, West, Wheeler, Glenn White, John E. White, Wible, Wright, Wyatt, Yocom. Nays 0.

SB 156 was passed and the title agreed to.

Representative McBrayer moved that the vote by which **SB 156** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

Representative McBrayer moved that the House concur in the following Senate Amendment to **HB 125:**

Amend printed copy of House Bill 125 on page 1, line 13, and on page 2, line 2, by:

deleting the word "funds" and inserting in lieu thereof the word "fees"

Agreed.

On the roll call the vote was yeas 68—Allen, Arnett, Blandford, Bleemel, Blume, Blythe, Edward G. Brown, Hershel Brown, Bruce, Carter, Chapman, Clapp, Clarke, Collins, Conn, Curlin, DeMarcus, Donnermeyer, Durham, Floyd, Graves, Haney, John O. Hardin, Head, Hinkle, Holloway, Hughes, Isler, Keene, Kenton, Kessinger, Kidd, King, Kleier, Knuckles, Lewis, Lindsay, McBrayer, McKinney, Massey, May, Miller, Nett, Osborne, Parish, Paxton, Peak, Pollitte, Priddy, Ray, T. P. Reynolds, W. J. Reynolds, Salyers, Schmidt, Simmons, Stuart, Swinford, Tobin, Van Horn, Wenz, West, Wheeler, Glenn White, John E. White, Wible, Wright, Wyatt, Yocom. Nays 6—Alexander, J. Davis, Dorris, Lovins, Prather, Rickert.

HB 125 as amended was passed and the title agreed to.

Representative McBrayer moved that the vote by which **HB 125** as amended was passed be reconsidered and said motion be postponed indefinitely. Agreed.

Representative McBrayer moved that the House concur in the following Senate Amendment to **HB 158:**

Amend printed copy of House Bill 158 on page 2, line 26, by:

changing the period "." to a comma "," and adding immediately thereafter the following words: "but in no case shall the question be resubmitted within a period of ten years following the effective date of any transfer."

and on page 3, line 5, by inserting after the word "effected." the following:

"Immediately upon filing of the suit, the court shall refer the matter to the Superintendent of Public Instruction, who shall study the matter fully, giving consideration to all points covered by paragraphs (a) to (h) of this subsection. Within sixty days he shall file a written report of his findings, conclusions and recommendations with the clerk of the court in which the action is pending. The report of the Superintendent of Public Instruc-

tion shall be advisory only and not binding upon the circuit court."

Agreed.

On the roll call the vote was yeas 87—Alexander, Allen, Baker, Blandford, Bleemel, Blume, Blythe, Archie Brown, Edward G. Brown, Hershel Brown, Bruce, Carroll, Carter, Chapman, Clapp, Clarke, Collins, Conn, Curlin, James A. Davis, Walter Davis, Donnermeyer, Dorris, Durham, Floyd, Haney, John O. Hardin, L. T. Hardin, Head, Hinkle, Huff, Hughes, Isler, Keene, Keith, Kenton, Kessinger, Kidd, King, Kleier, Knuckles, Lewis, Lindsay, Louden, Lovins, McBrayer, McBride, McCann, McKinney, McNamara, Massey, May, Mershon, Miller, Nett, Osborne, Parish, Paxton, Peak, Pollitte, Prather, Priddy, Rattliff, Ray, Reed, T. P. Reynolds, W. J. Reynolds, Rickert, Roberts, Ruh, Salyers, Schmidt, Sharpe, Siemens, Stuart, Swinford, Tobin, Van Horn, Wenz, West, Wheeler, Glenn White, John E. White, Wible, Wright, Wyatt, Yocom. Nays 0.

HB 158 as amended was passed and the title agreed to.

Representative McBrayer moved that the vote by which **HB 158** as amended was passed be reconsidered and said motion be postponed indefinitely. Agreed.

SB 257 taken from Orders of the Day and ordered read at length for the third time. Representative McBrayer moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

On the roll call the vote was yeas 82—Alexander, Allen, Baker, Blandford, Bleemel, Blume, Blythe, Archie Brown, Hershel Brown, Bruce, Carroll, Chapman, Clapp, Collins, Conn, Curlin, James A. Davis, Walter Davis, DeMarcus, Donnermeyer, Dorris, Durham, Floyd, Graves, Haney, John O. Hardin, L. T. Hardin, Head, Hinkle, Huff, Hughes, Isler, Keene, Keith, Kenton, Kessinger, Kidd, King, Knuckles, Lewis, Lindsay, Louden, Lovins, McBrayer, McBride, McCann, McKinney, McNamara, May, Mershon, Mitchell, Nett, Osborne, Parish, Paxton, Peak, Pollitte, Prather, Rattliff, Ray, Reed, T. P. Reynolds, W. J. Reynolds, Rickert, Roberts, Ruh, Salyers, Schmidt, Simmons, Stuart, Swinford, Tobin, Van Horn, Wenz, West, Wheeler, Glenn White, John E. White, Wible, Wright, Wyatt, Yocom. Nays 0.

SB 257 was passed and the title agreed to.

Representative McBrayer moved that the vote by which **SB 257** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

SB 275 taken from Orders of the Day and ordered read at length for the third time. Representative McBrayer moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

On the roll call the vote was yeas 84—Alexander, Allen, Baker, Bartley, Blandford, Bleemel, Blume, Blythe, Archie Brown, Edward G. Brown, Hershel Brown, Carroll, Chapman, Clapp, Conn, Curlin, Walter Davis, DeMarcus, Deskins, Donnermeyer, Dorris, Durham, Floyd, Freeman, Graves, Haney, John O. Hardin, L. T. Hardin, Head, Hinkle, Huff, Hughes, Isler, Keene, Keith, Kenton, Kessinger, Kidd, King, Knuckles, Lewis, Lindsay, Louden, Lovins, McBrayer, McBride, McCann, McKinney, McNamara, May, Mershon, Miller, Nett, Osborne, Parish, Paxton, Peak, Pollitte, Prather, Priddy, Rattliff, Ray, Reed, T. P. Reynolds, W. J. Reynolds, Rickert, Ruh, Salyers, Schmidt, Sharpe, Simmons, Swinford, Tobin, Van Horn, Wells, Wenz, West, Wheeler, Glenn White, John E. White, Wible, Wright, Wyatt, Yocom. Nays 0.

SB 275 was passed and the title agreed to.

Representative McBrayer moved that the vote by which **SB 275** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

Representative Lewis moved that **HB 158** be named the "Wilson Wyatt, Jr. Bill." Agreed.

SB 280 taken from Orders of the Day and ordered read at length for the third time. Representative McBrayer moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

On the roll call the vote was yeas 83—Alexander, Allen, Baker, Bartley, Blandford, Bleemel, Blume, Blythe, Hershel Brown, Bruce, Carroll, Carter, Chapman, Clapp, Conn, Curlin, James A. Davis, Walter Davis, DeMarcus, Deskins, Donnermeyer, Dorris, Durham, Floyd, Freeman, Graves, Haney, John O. Har-

din, L. T. Hardin, Head, Hinkle, Huff, Hughes, Isler, Keene, Keith, Kenton, Kessinger, Kidd, King, Lewis, Lindsay, Louden, Lovins, McBrayer, McBride, McCann, McKinney, McNamara, May, Miller, Nett, Osborne, Parish, Paxton, Peak, Pollitte, Prather, Priddy, Ray, Reed, T. P. Reynolds, W. J. Reynolds, Rickert, Ruh, Salyers, Schmidt, Sharpe, Siemens, Simmons, Stuart, Swinford, Tobin, Van Horn, Wells, Wenz, West, Wheeler, John E. White, Wible, Wright, Wyatt, Yocom. Nays 0.

SB 280 was passed and the title agreed to.

Representative McBrayer moved that the vote by which **SB 280** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

Speaker Carroll presiding.

SB 291 taken from Orders of the Day and ordered read at length for the third time. Representative McBrayer moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

On the roll call the vote was yeas 79—Alexander, Allen, Baker, Bartley, Blandford, Bleemel, Blume, Blythe, Archie Brown, Edward G. Brown, Hershel Brown, Carroll, Carter, Chapman, Clapp, Clarke, Conn, Curlin, DeMarcus, Deskins, Donnermeyer, Dorris, Durham, Floyd, Freeman, Graves, Haney, L. T. Hardin, Head, Hinkle, Huff, Hughes, Isler, Keene, Keith, Kenton, Kessinger, Kidd, King, Lewis, Lindsay, McBrayer, McBride, McCann, McKinney, McNamara, May, Nett, Osborne, Parish, Paxton, Peak, Pollitte, Prather, Priddy, Rattliff, Ray, Reed, T. P. Reynolds, W. J. Reynolds, Rickert, Ruh, Salyers, Schmidt, Sharpe, Simmons, Swinford, Tobin, Van Horn, Wells, Wenz, West, Wheeler, Glenn White, John E. White, Wible, Wright, Wyatt, Yocom. Nays 1—Roberts.

SB 291 was passed and the title agreed to.

Representative McBrayer moved that the vote by which **SB 291** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

SB 295 taken from Orders of the Day and ordered read at length for the third time. Representative McBrayer moved that

it be read by title only and placed upon its passage. Agreed by a majority of members elected.

On the roll call the vote was yeas 45—Baker, Bartley, Blandford, Blume, Blythe, Clarke, Conn, Curlin, DeMarcus, Donnermeyer, Graves, John O. Hardin, Hughes, Isler, Keene, Kenton, Kessinger, Kidd, King, Lindsay, McBrayer, McBride, McCann, May, Mershon, Miller, Murphy, Nett, Osborne, Paxton, Priddy, Ray, Reed, Ruh, Schmidt, Sharpe, Siemens, Stuart, Swinford, Van Horn, Wenz, Glenn White, Wright, Wyatt, Yocom. Nays 33—Alexander, Allen, Arnett, Bruce, Chapman, Clapp, J. Davis, W. Davis, Dorris, Durham, Freeman, Haney, Head, Hinkle, Huff, Keith, Lewis, Lovins, McKinney, McNamara, Peak, Pollitte, Prather, Rattliff, T. Reynolds, W. J. Reynolds, Rickert, Roberts, Salyers, Simmons, West, Wheeler, Wible.

SB 295 was passed and the title agreed to.

Representative McBrayer moved that the vote by which **SB 295** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

Report on Enrolled Bills

The Committee on Enrollment reported **HB 11, HB 414, SB 168, SB 146, SB 177, SB 192, SB 194, SB 167, SB 70, SB 357, SB 298, SB 230, SB 252** and **SB 288** had been examined and found correctly enrolled. **HB 11, HB 414, SB 168, SB 146, SB 177, SB 192, SB 194, SB 167, SB 70, SB 357, SB 298, SB 230, SB 252** and **SB 288** read at length, compared and signed in open session by the Speaker. Ordered delivered to the Senate.

HB 253, HB 356, HB 659, HB 351, HB 71, HB 64, HB 223, HB 320, HB 286 and **HB 309** delivered to the Senate, signed by President. Ordered delivered to the Governor.

Orders of the Day (Continued)

SB 319 taken from Orders of the Day and ordered read at length for the third time. Representative McBrayer moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Blume moved that all his Amendments to **SB 319** be withdrawn. Agreed.

Representative McBrayer moved the adoption of the Previous Question on **SB 319.** Agreed.

Representative Graves moved that **SB 319** be laid on the table.

On the roll call the vote was yeas 40—Alexander, Allen, Arnett, Blandford, Chapman, Deskins, Donnermeyer, Freeman, Graves, John O. Hardin, Head, Hinkle, Huff, Hughes, Isler, Kenton, Kidd, Kleier, Lewis, Lovins, McBrayer, McBride, May, Miller, Parish, Peak, Prather, Priddy, Ray, Rickert, Roberts, Ruh, Salyers, Siemens, Swinford, Van Horn, Wenz, Wible, Wright, Yocom. Nays 45—Baker, Bartley, Bleemel, Blume, Blythe, A. Brown, H. Brown, Carter, Clapp, Collins, Conn, Curlin, J. Davis, DeMarcus, Dorris, Durham, L. Hardin, Holloway, Keene, Keith, Kessinger, Knuckles, Lindsay, Louden, McCann, McKinney, Massey, Mershon, Murphy, Osborne, Paxton, Rattliff, R. Reynolds, T. Reynolds, W. J. Reynolds, Schmidt, Sharpe, Simmons, Stuart, Tobin, Wells, West, G. White, J. White, Wyatt.

The motion that **SB 319** be laid on the table was rejected.

Representative McBride moved that **SB 319** be laid on the Clerk's desk.

The Speaker declared the motion out of order.

Representative Stuart moved, notwithstanding the Previous Question application, that the following Amendment to **SB 319** be adopted:

Amend printed copy of Senate Bill 319 on page 4, line 23, by:

removing the bracket at the beginning of line 23 and by bracketing "(e)" and by inserting in lieu thereof "*(d)*";

and on page 5, line 1, by removing the bracket at the end of line 1.

Recess

Representative W. J. Reynolds moved that the House recess for Majority and Minority Party caucus while copies of amendment are made and distributed. Agreed.

The Speaker resumed the Chair.

Report on Enrolled Bills

The Committee on Enrollment reported **HB 328, HB 250, HB 426, HB 251, HB 498, HB 429, HB 158, HB 125** and **HB 466** had been examined and found correctly enrolled. **HB 328, HB 250, HB 426, HB 251, HB 498, HB 429, HB 158, HB 125** and **HB 466** read at length, compared and signed in open session by the Speaker. Ordered delivered to the Senate.

HB 328, HB 250, HB 426, HB 251, HB 498, HB 429, HB 158, HB 125 and **HB 466** delivered to the Senate, signed by President. Ordered delivered to the Governor.

Orders of the Day (Continued)

The Amendment to **SB 319** was adopted.

Representative Ray moved that the Rules be suspended for the purpose of making a motion.

On the roll call the vote was yeas 41—Alexander, Allen, Arnett, Blandford, Bruce, Chapman, Conn, Deskins, Donnermeyer, Dorris, Freeman, Graves, Haney, John O. Hardin, Head, Hughes, Isler, Kenton, Kidd, Kleier, Knuckles, Lewis, Lovins, McBrayer, McBride, May, Miller, Nett, Parish, Peak, Pollitte, Prather, Priddy, Ray, Ruh, Salyers, Siemens, Van Horn, Wenz, Wright, Yocom. Nays 31—Baker, Bartley, Bleemel, Blythe, A. Brown, H. Brown, Collins, W. Davis, DeMarcus, Durham, L. Hardin, Holloway, Huff, Keith, Kessinger, Lindsay, McCann, Massey, Mershon, Osborne, Paxton, Rickert, Schmidt, Sharpe, Simmons, Stuart, West, Wheeler, G. White, J. White, Wyatt.

The motion that the Rules be suspended was rejected.

On the roll call the vote was yeas 50—Baker, Bartley, Bleemel, Blume, Blythe, Archie Brown, Hershel Brown, Carroll, Clapp, Collins, Curlin, Walter Davis, DeMarcus, Dorris, Durham, Floyd,

L. T. Hardin, Holloway, Huff, Keene, Keith, Kessinger, King, Knuckles, Lindsay, Louden, McCann, McKinney, Massey, Mershon, Mitchell, Murphy, Osborne, Paxton, Peak, Rattliff, Reed, Russell Reynolds, Rickert, Schmidt, Sharpe, Simmons, Stuart, Tobin, Wells, West, Wheeler, Glenn White, John E. White, Wyatt. Nays 46—Alexander, Allen, Arnett, Blandford, Bruce, Carter, Chapman, Clarke, Conn, Deskins, Donnermeyer, Freeman, Graves, Haney, J. Hardin, Head, Hinkle, Hughes, Isler, Kenton, Kidd, Kleier, Lewis, Lovins, McBrayer, McBride, May, Miller, Nett, Parish, Pollitte, Prather, Priddy, Ray, T. Reynolds, W. J. Reynolds, Roberts, Ruh, Salyers, Siemens, Swinford, Van Horn, Wenz, Wible, Wright, Yocom.

SB 319 as amended was passed and the title agreed to.

Representative McBrayer moved that the vote by which **SB 319** as amended was passed be reconsidered and said motion be postponed indefinitely. Agreed.

SB 323 taken from Orders of the Day and ordered read at length for the third time. Representative McBrayer moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

On the roll call the vote was yeas 84—Alexander, Allen, Arnett, Baker, Bartley, Blandford, Bleemel, Blume, Blythe, Archie Brown, Edward G. Brown, Hershel Brown, Bruce, Carroll, Carter, Chapman, Clapp, Clarke, Collins, Conn, Curlin, James A. Davis, Walter Davis, DeMarcus, Deskins, Donnermeyer, Dorris, Durham, Floyd, Graves, L. T. Hardin, Head, Hinkle, Holloway, Huff, Hughes, Isler, Keene, Kenton, King, Kleier, Knuckles, Lewis, Lindsay, Lovins, McBrayer, McBride, McCann, McKinney, Massey, May, Mershon, Mitchell, Nett, Osborne, Parish, Paxton, Peak, Prather, Priddy, Rattliff, Ray, Reed, Russell Reynolds, T. P. Reynolds, W. J. Reynolds, Rickert, Ruh, Salyers, Sharpe, Simmons, Stuart, Swinford, Tobin, Van Horn, Wenz, West, Wheeler, Glenn White, John E. White, Wible, Wright, Wyatt. Nays 2—Haney, Roberts.

SB 323 was passed and the title agreed to.

Representative McBrayer moved that the vote by which **SB 323** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

Senate Message

Announcing passage of **HB 192, HB 338, HB 581** and **HB 546.**

Report on Enrolled Bills

The Committee on Enrollment reported **SB 91, SB 253,** and **SB 351** had been examined and found correctly enrolled. **SB 91, SB 253** and **SB 351** read at length, compared and signed in open session by the Speaker. Ordered delivered to the Senate.

HR 125, by Representative R. Reynolds: A RESOLUTION honoring Coach Jack Stanford and the Breathitt County Bobcats.

WHEREAS, as one of the elite "Sweet Sixteen" of Kentucky High School Basketball; and

WHEREAS, they were pitted against the team ranked number one; and

WHEREAS, they lived up to their name of "Bobcats" and fought accordingly; and

WHEREAS, as a result of a superior effort they did overcome all obstacles and win; and

WHEREAS, when effort and skill is justly rewarded, it should be further recognized,

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

Section 1. That Coach Jack Stanford and the members of his team be congratulated on such successful effort and that this august body wishes them well in their future endeavors.

Section 2. That a copy of this resolution be sent to Coach Jack Stanford and his team.

Representative R. Reynolds moved the adoption of **HR 125.** Agreed.

SB 341 taken from Orders of the Day and ordered read at length for the third time. Representative McBrayer moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

On the roll call the vote was yeas 82—Alexander, Allen, Baker, Bartley, Blandford, Bleemel, Blythe, Archie Brown, Edward G. Brown, Hershel Brown, Bruce, Carroll, Chapman, Clapp, Clarke, Collins, Conn, Curlin, James A. Davis, Walter Davis, DeMarcus, Deskins, Dorris, Durham, Floyd, Graves, Haney, John O. Hardin, L. T. Hardin, Head, Hinkle, Holloway, Huff, Hughes, Isler, Keene, Keith, Kenton, Kessinger, Kidd, King, Knuckles, Lewis, Lindsay, McBrayer, McBride, McCann, McKinney, Massey, May, Mershon, Mitchell, Murphy, Osborne, Parish, Paxton, Peak, Pollitte, Priddy, Rattliff, Reed, Russell Reynolds, T. P. Reynolds, W. J. Reynolds, Rickert, Roberts, Ruh, Salyers, Schmidt, Sharpe, Simmons, Stuart, Swinford, Tobin, Van Horn, Wenz, West, Wheeler, Glenn White, John E. White, Wible, Wright. Nays 1—Ray.

SB 341 was passed and the title agreed to.

Representative McBrayer moved that the vote by which **SB 341** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

SB 386 taken from Orders of the Day and ordered read at length for the third time. Representative McBrayer moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

On the roll call the vote was yeas 41—Blandford, Blume, Blythe, Edward G. Brown, Carroll, Carter, Chapman, Clarke, Conn, Curlin, Donnermeyer, Dorris, Isler, Keene, Kenton, Kessinger, King, Kleier, Lindsay, McBrayer, McCann, Massey, May, Mershon, Mitchell, Murphy, Nett, Parish, Paxton, Peak, Pollitte, Prather, Priddy, Reed, Russell Reynolds, W. J. Reynolds, Rickert, Ruh, Swinford, John E. White, Wible. Nays 41—Alexander, Allen, Arnett, Baker, Bartley, A. Brown, H. Brown, Bruce, Clapp, Collins, J. Davis, W. Davis, DeMarcus, Deskins, Durham, Floyd, Graves, L. Hardin, Head, Hinkle, Holloway, Huff, Hughes, Knuckles, Lewis, Louden, Lovins, McBride, McKinney, McNamara, Osborne, Roberts, Sharpe, Simmons, Stuart, Van Horn, Wells, West, Wheeler, G. White, Wright.

SB 386 was defeated.

Representative McCann moved that the vote by which **SB 386** was defeated be reconsidered and that **SB 386** be laid on the Clerk's desk. Agreed.

SB 388, with Committee Amendment attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative McBrayer moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Murphy moved the adoption of the Committee Amendment to **SB 388.** Agreed.

On the roll call the vote was yeas 77—Alexander, Allen, Arnett, Baker, Blandford, Bleemel, Blume, Blythe, Archie Brown, Edward G. Brown, Hershel Brown, Carroll, Chapman, Clarke, Collins, Conn, Curlin, James A. Davis, DeMarcus, Deskins, Donnermeyer, Dorris, Durham, Floyd, Graves, Haney, John O. Hardin, L. T. Hardin, Head, Hinkle, Holloway, Isler, Keene, Keith, Kenton, Kessinger, Kidd, King, Kleier, Knuckles, Lewis, Louden, Lovins, McBrayer, McBride, McCann, McKinney, McNamara, Massey, May, Mershon, Mitchell, Murphy, Nett, Osborne, Paxton, Prather, Priddy, Ray, Reed, Russell Reynolds, T. P. Reynolds, W. J. Reynolds, Rickert, Salyers, Schmidt, Simmons, Stuart, Swinford, Tobin, Van Horn, Wells, Wenz, West, Glenn White, John E. White, Wible. Nays 1—Roberts.

SB 388 as amended was passed and the title agreed to.

Representative McBrayer moved that the vote by which **SB 388** as amended was passed be reconsidered and said motion be postponed indefinitely. Agreed.

SB 80 taken from Orders of the Day and ordered read at length for the third time. Representative McBrayer moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

On the roll call the vote was yeas 62—Arnett, Baker, Bartley, Blandford, Bleemel, Blume, Blythe, Archie Brown, Edward G. Brown, Carter, Chapman, Clarke, Conn, Curlin, Donnermeyer, Dorris, Durham, Floyd, Graves, Haney, L. T. Hardin, Head, Hinkle, Holloway, Huff, Isler, Keene, Kenton, Kidd, Kleier, Knuckles, Lewis, Lindsay, Lovins, McBride, McNamara, Massey,

May, Mershon, Mitchell, Murphy, Nett, Parish, Paxton, Prather, Priddy, Russell Reynolds, T. P. Reynolds, W. J. Reynolds, Rickert, Roberts, Salyers, Schmidt, Sharpe, Simmons, Swinford, Van Horn, Wenz, West, John E. White, Wible, Wright. Nays 12—Alexander, H. Brown, Clapp, J. Davis, W. Davis, Keith, Kessinger, King, McBrayer, Osborne, Ray, G. White.

SB 80 was passed and the title agreed to.

Representative McBrayer moved that the vote by which **SB 80** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

Representative McBrayer moved that the Rules be suspended for Report of Committees and Introduction of Bills and Resolutions. Agreed.

Report of Committees

The Committee on Appropriations and Revenue reported **SB 117**, with Second Committee Substitute attached thereto, and **SB 77** with Committee Amendment attached thereto, with the expression of opinion that the same should pass. Ordered placed in Orders of the Day.

Second Committee Substitute, SB 117, AN ACT relating to public higher education.

WHEREAS, the House of Representatives in 1966 did request a study of the advisability and feasibility of placing the University of Louisville in the state system of public higher education; thereafter obtaining a report recommending, inter alia, that such action be taken; and

WHEREAS, the General Assembly, in acting on this recommendation, did direct the maintenance of the University of Louisville as a state institution no later than July 1, 1970, subsequent to which the University did take appropriate steps consistent with that legislation;

NOW, THEREFORE,

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. A new section of Chapter 164 of the Kentucky Revised Statutes is created to read as follows:

(1) As used in this Act, the following terms shall have, unless the context shall otherwise indicate, the following meanings:

(a) "University of Louisville" means the university which is situated in a city of the first class, and which has heretofore constituted a municipal university within the meaning and application of KRS 165.020, et seq;

(b) "Council" means the Council of Public Higher Education in Kentucky.

(2) Consistent with the provisions of KRS 164.026 and Chapter 239 of the 1968 Kentucky Acts, the University of Louisville shall be maintained as a state institution effective July 1, 1970, subject to its qualification to receive the benefits of such status in the manner set forth in subsection (3).

(3) The University of Louisville, having been chartered by Chapter 137, Acts of 1845-46, approved February 7, 1846, effective in accordance with its terms on March 15, 1846; having become subject to the laws of the Commonwealth generally applicable to corporations of the same category according to the import of subsection Seventeenth of Section 59 of the present Constitution of the Commonwealth; and having duly filed in the office of the Secretary of State its acceptance of the present Constitution of the Commonwealth, in accordance with Section 190 thereof; may qualify to receive the benefits of its status as a state institution, as provided in this Act, by action of its board of trustees in adopting and causing to be filed for public record such proceedings as are required by law, amending its charter or articles of incorporation in such manner as to conform to the provisions of this Act.

Section 2. A new section of Chapter 164 of the Kentucky Revised Statutes is created to read as follows:

(1) The government of the University of Louisville is vested in a board of trustees consisting of ten competent citizens of Kentucky appointed by the Governor; one non-voting member of the teaching faculty of the University of Louisville who shall be the chief executive of the ranking unit of faculty government;

and a non-voting student member who shall be the president of the student body; however, if the student body president is not a legal resident of Kentucky, then a member of the student body of the University who is a legal resident of Kentucky shall be elected by the student body for a term of one year under rules prescribed by the board. The faculty member and student body member shall cease to be eligible for membership on the board of trustees upon termination of their respective relationships with the University, and vacancies occurring by reason of such termination shall be filled for the remainder of the respective terms in the same manner. The ten citizen members of the board shall annually elect one of their number to serve as chairman of the board.

(2) To facilitate transition of the University of Louisville to full status as a state institution, terms of members of the board of trustees in office on the effective date of this Act shall be terminated as of that date or as of the date their successors are appointed and qualify, and their successors shall be appointed by the Governor according to the following schedule:

(a) Two for one year terms, one of which shall be from a list of three names submitted by the mayor of the city of the first class;

(b) Two for two year terms, one of which shall be an alumnus or alumna of the University, selected from a list of three names submitted by the alumni of the University in such manner and according to rules prescribed by the board of trustees;

(c) Three for three year terms, one of which shall be from a list of three names submitted by the mayor of the city of the first class;

(d) Three for four year terms, one of which shall be from a list of three names submitted by the county judge of the county in which the city of the first class is located.

(3) At the expiration of the respective terms of the citizen members of the board of trustees as prescribed in the subsection (2) of this Section, successors shall be appointed by the Governor for terms of four years each, and in making such appointments the Governor shall observe the requirements relating to nominations by the mayor of the city of the first class, the county judge

of the county in which the city is located, and the alumni members. Subject to such requirements the Governor shall make his appointments from the state at large so as to divide the representation upon the board as nearly equally as possible between the two leading political parties in this state.

(4) Whenever, in the judgment of the state Commissioner of Finance, the total appropriations from the governments of the City of Louisville and Jefferson County shall fall below the level of support existing at the time this Act takes effect or below twelve percent of the combined total of state and local appropriations to the University for more than one city or county budgetary period, the nominating authority of the mayor of the city of the first class and the county judge of the county in which the city is located shall terminate, and the appointments for all trustees, except the one selected from recommendations of the alumni, shall be made directly and exclusively by the Governor. Such alteration shall not affect the total number of memberships on the board.

(5) Vacancies among the citizen members of the board occurring by death, resignation, removal of residence from the Commonwealth or any other cause shall be filled by appointments made by the Governor for the expiration of the term, subject to the qualifications set forth in (3) and (4) of this Section.

(6) No member of the board of trustees or of the teaching or administrative staff of the University shall be directly or indirectly interested in any contract with the University for the sale of property, materials, supplies, equipment, or services, with the exception of compensation to the faculty and student members.

(7) Subsection (2) of Section 63.080 of the Kentucky Revised Statutes is hereby expressly made applicable to members of the board of trustees of the University of Louisville.

Section 3. A new section of Chapter 164 of the Kentucky Revised Statutes is created to read as follows:

(1) The board of trustees of the University of Louisville shall constitute a body corporate, with the usual corporate powers, and shall possess all the authorities, immunities, rights, privileges

and franchises usually attaching to the governing bodies of Kentucky public higher educational institutions. Powers of the board shall include the following:

(a) Appointment of a president, all faculty members and other personnel and determination of the compensation, duties and official relations of each.

(b) Suspension or removal of the president, officers, faculty, agents or other personnel that it is authorized to appoint, except that no president, professor or teacher shall be removed except for incompetence, neglect of or refusal to perform his duty or for immoral conduct and that such removal shall be made in accordance with procedures established by law for state institutions.

(c) Election of a vice chairman and such other officers as it deems wise, including the annual election of a five-member executive committee which shall have the powers that the board delegates to it and shall operate under such rules as the board shall establish under its authority to make such bylaws, rules and regulations consistent with this chapter.

(d) Receipt, retention and administration, on behalf of the university, subject to the conditions attached, all revenues accruing from endowments, appropriations, allotments, grants or bequests, and all types of property.

(e) Requirement of such reports from the president, officers, faculty and employees as it deems necessary and proper from time to time.

(f) Granting degrees to graduates of the university, prescription of conditions upon which postgraduate honors may be obtained, and conferment of honorary degrees.

(2) The provisions of Sections 164.030, 164.200, 164.250, 164.280, 164.390, 164.410, and 164.460 of the Kentucky Revised Statutes shall be applicable to the University of Louisville except where inconsistent with the purposes of this Act.

Section 4. A new section of Chapter 164 of the Kentucky Revised Statutes is created to read as follows:

(1) The governing body of a city of the first class wherein there is situated a state educational institution affording instruction and conferring degrees above the high school grade may make an annual appropriation from the general funds of the city, or from funds derived from other sources, for the support of such state educational institution. Such appropriation shall be such sum as in the judgment of the governing body of the city shall, when supplemented by other income of the state educational institution, be reasonably necessary for such purposes; and the funds so appropriated by the governing body of the city may be paid to the treasurer of the University by the director of finance of the city in regular monthly installments.

(2) The governing body of such city of the first class may additionally set apart or appropriate as a site or sites for buildings and grounds of such state educational institution any public grounds of the city not specially appropriated or dedicated by ordinance to another use.

Section 5. A new section of Chapter 164 of the Kentucky Revised Statutes is created to read as follows:

Consistent with subsection (11) of Section 67.080 of the Kentucky Revised Statutes, the fiscal court of a county containing a city of the first class wherein there is situated a state educational institution affording instruction and conferring degrees above the high school grade, may appropriate county funds for the benefit of such state educational institution.

Section 6. A new section of Chapter 164 of the Kentucky Revised Statutes is created to read as follows:

The board of trustees of the University of Louisville may issue revenue bonds of the University for the erection of buildings and appurtenances to be used in connection with the University for educational purposes, and otherwise as provided in Section 162.340 to 162.380 of the Kentucky Revised Statutes, and subject to the provisions of Chapter 56 of the Kentucky Revised Statutes, provided, said board of trustees may in its discretion issue such revenue bonds not only for the purposes and in the manner set forth in Section 162.340 to 162.380, but also for the purposes of refinancing any mortgages, mortgage bonds, revenue

bonds, notes, or other evidences of indebtedness previously issued or incurred by the University in connection with the acquisition of lands or the purchase, erection or other acquisition of buildings and appurtenant facilities for educational purposes of the University. Provided, however, that this section shall not be construed to authorize the issuance of revenue bonds of a face amount in excess of sixteen million dollars for the purpose of refinancing any mortgages, mortgage bonds, revenue bonds, notes, or other evidences of indebtedness previously issued or incurred.

Section 7. Section 165.020 of the Kentucky Revised Statutes is repealed.

Section 8. A new section of Chapter 164 of the Kentucky Revised Statutes is created to read as follows:

Proceedings taken by the University of Louisville, through action of its board of trustees, in qualifying to receive the benefits of its status as a state institution, as provided in subsection (3) of Section 1 of this Act shall vest in the Commonwealth for the use and benefit of the University of Louisville (without execution and recording of any instruments of conveyance) title to all property which may be vested in the University of Louisville at the date such qualifying action is perfected according to law. The title so vested in the Commonwealth for the use and benefit of the University of Louisville shall be such title as the University of Louisville may own at that time, and shall be subject to such liens and encumbrances as may then exist thereon. Real property thereafter acquired by the University of Louisville or for its use and benefit shall be in accordance with the provisions of Section 56.020 to 56.060 of the Kentucky Revised Statutes; and any such acquisition of real property, and all dispositions of real property of the University, shall be subject to the provisions of Sections 56.440 to 56.520 of the Kentucky Revised Statutes. Personal property thereafter acquired by the University of Louisville or for its use and benefit shall be in accordance with provisions of Section 3 of this Act.

Section 9. A new section of Chapter 164 of the Kentucky Revised Statutes is created to read as follows:

(1) The Council on Public Higher Education shall study and recommend procedures for the entry of the University of Louisville into the state supported system of higher education; study and report on the nature and scope of the institutions of higher education that will form the state supported system after the University of Louisville becomes a part thereof; study and report on the nature and scope of the Council of Public Higher Education; and report and make recommendations to the Interim Study Commission on Higher Education on matters herein suggested not later than January 1, 1971. Nothing in this Act shall be construed as defining the final role, functions or programs of the University of Louisville.

(2) There is hereby established the Interim Study Commission on Higher Education. The Commission shall consist of five members of the House of Representatives, two of whom shall be the Chairman and Vice Chairman of the Appropriations and Revenue Committee and three of whom shall be appointed by the Speaker thereof, and four members of the Senate, two of whom shall be Chairman and Vice Chairman of the Appropriations and Revenue Committee and two of whom shall be appointed by the President thereof. The Commission shall select a chairman from among its members, and shall meet at the call of the chairman. The Commission shall receive and study the report and recommendations directed by this resolution, and shall develop proposed legislation providing for the entry of the University of Louisville into the state system which shall be presented to the General Assembly at the earliest opportunity, no later than the 1972-73 regular session, and shall make other recommendations and proposals for legislation pertinent to the purposes of this resolution.

The Committee Amendment to **SB 77** is as follows:

Amend printed copy of Senate Bill 77 on page 5, lines 22 & 26, by:

removing the brackets at the beginning of line 22 and at the end of line 26;

and on page 5, line 22, by bracketing "(4)" and inserting in lieu thereof "(3)".

Introduction of Bills and Resolutions

HR 126, by Representative Kenton: A RESOLUTION honoring the Council of Neighborhood Organizations of Lexington, Kentucky.

HR 127, by Representatives McCann and Roberts: A RESOLUTION directing that the Joint Interim Committee on Education make a study of school districting in Kentucky and determine the advisability of creating regional administrative districts.

HR 128, by Representative Carroll: A RESOLUTION commending the efforts of the Vietnam Memorial Non-Profit Corporation.

Announcements

Representative Freeman filed an amendment to **HB 622.**

Representative King announced he wished to vote "yea" on the following Bills: **HB 11, HB 414, SB 285, SB 213, SB 294, SB 305, SB 179, SB 284, SB 89, SB 340, SB 15, SB 23, SB 169, SB 226.**

Representative Curlin announced he wished to vote "yea" on the following Bills: **SB 92, SB 93, SB 153, SB 184, SB 188, SB 195, SB 207, SB 211.**

Representative Siemens announced he wished to vote "yea" on **SB 89** and **SB 211.**

Representative Lewis announced he wished to vote "nay" on **SB 195.**

Representative Prather announced he wished to vote "yea" on **SB 211.**

Representative McKinney announced he wished to vote "yea" on **SB 89.**

Representative Lindsay announced he wished to vote "yea" on **SB 245.**

Representative Huff announced he wished to vote "yea" on **HB 125.**

Representative Alexander announced he wished to vote "yea" on **SB 89.**

Representative Priddy announced she wished to vote "yea" on **SB 257.**

Representative Rickert announced he wished to vote "yea" on **SB 153.**

Representative Lewis announced he wished to vote "yea" on **SB 184.**

Representative Lindsay announced he wished to vote "yea" on **SB 184.**

Representative Stuart announced he wished to vote "yea" on **SB 221.**

Representative T. Reynolds announced he wished to vote "yea" on **SB 93.**

Representative Osborne announced he wished to vote "yea" on **SB 89.**

Senate Message

Announcing passage of **HB 329, HB 331, HB 442** with Amendment and **SB 15.**

Representative Lindsay moved that the House adjourn until 10:00 a.m., Friday, March 20, 1970. Agreed.

FRIDAY, MARCH 20, 1970
SIXTIETH LEGISLATIVE DAY

The House was called to order by Speaker Pro Tempore Blume.

Prayer by the Reverend Charles N. King, Corinthian Baptist Church, Frankfort.

The roll was called. All present except Representative McGill.

Representative Isler moved that absent members be granted leave of absence. Agreed.

Representative McNamara moved that the reading of the Journal of March 19, 1970, be dispensed with and the same approved. Agreed.

Motions, Petitions and Communications

Representative McBrayer moved that the House concur in the following Senate Amendment to **HB 442:**

Amend printed copy of House Bill 442 on page 4, line 8, by:

deleting the letter "(*h*)" and substituting the letter "(*g*)";

page 5, line 18 by substituting the letter "(*g*)" for the letter "(*h*)";

page 5, line 23 by substituting the letter "(*g*)" for the letter "(*h*)";

deleting lines 24 through 28;

page 6, line 1 by substituting the letter "(*d*)" for the letter "(*e*)";

page 6, line 9 by substituting the letter "(*g*)" for the letter "(*h*)";

page 6, line 11 by substituting the letter "(*e*)" for the letter "(*f*)";

page 6, line 14 by substituting the letter "(*g*)" for the letter "(*h*)";

page 6, line 15 by substituting the letter "(*f*)" for the letter "(*g*)";

page 6, line 20 by substituting the letter "(*g*)" for the letter "(*h*)";

page 7, line 1 by substituting the letter "(*h*)" for the letter "(*i*)";

page 8, line 2 after the word "land" and before the word "is" insert the following: "under subsection (2) (g) of Section 2;"

page 8, line 2 after the word "is" and before the word "to" delete the word "devoted" and substitute the word "converted"

page 8, line 4 after the word "to" and before the word "taxes" delete the word "additional" and substitute the word "deferred"

page 8, line 4 by deleting beginning with the word "in" through the word "in" on line 7;

page 8, line 7 after the word "in" and before the word "the" insert the word "for";

page 8, line 11 after the word "to" and before the word "taxes" delete the word "the" and substitute the word "such";

page 8, line 11 after the word "taxes" delete beginning with the word "on" through the word "value" in line 12;

page 8, line 13 after the word "to" and before the word "taxes" insert the word "such";

page 8, line 13 after the word "taxes" delete beginning with the word "on" through the word "years";

page 8, line 14 before the figure "1971" insert the word "for";

page 8, line 14 after the word "such" and before the word "taxes" delete the word "additional"

page 8, line 16 after the word "the" and before the word "taxes" delete the word "additional" and substitute the word "deferred"

page 8, line 19 by inserting after the word "to" and before the word "tax" the word "deferred"

page 8, line 20 delete the word "additional" and substitute the word "deferred"

Agreed.

On the roll call the vote was yeas 72—Alexander, Allen, Arnett, Baker, Bartley, Blandford, Bleemel, Blume, Blythe, Edward G. Brown, Bruce, Carter, Chapman, Clarke, Collins, Conn, James A. Davis, Walter Davis, Deskins, Dorris, Durham, Floyd, Haney, L. T. Hardin, Hinkle, Holloway, Huff, Hughes, Isler, Keene, Keith, Kessinger, Kidd, Kleier, Knuckles, Louden, McBrayer, McBride, McCann, McKinney, McNamara, Massey, May, Mershon, Miller, Nett, Osborne, Peak, Pollitte, Prather, Priddy, Rattliff, Reed, Russell Reynolds, T. P. Reynolds, W. J. Reynolds, Roberts, Salyers, Sharpe, Simmons, Stuart, Swinford, Tobin, Van Horn, Wells, Wenz, West, Wheeler, Glenn White, Wible, Wright, Wyatt. Nays 7—Donnermeyer, Graves, Head, Lewis, Lindsay, Lovins, Parish.

HB 442 as amended was passed and the title agreed to.

Representative McBrayer moved that the vote by which **HB 442** as amended was passed be reconsidered and said motion be postponed indefinitely. Agreed.

Representative Wright moved that **SB 15** be returned to the Senate. Agreed.

Representative Baker announced he wished to change his vote from "nay" to "yea" on **SB 24.**

The Speaker announced **SB 94** will be named the "Nell Guy McNamara Bill".

Representative Donnermeyer announced he wished to vote "yea" on **SB 284.**

Report on Enrolled Bills

The Committee on Enrollment reported **SB 226, SB 156, SB 93, SB 275, SB 280, SB 89, SB 127, SB 285, SB 92, SB 221, SB 284, SB 188, SB 245, SB 169, SR 58, SB 257, SB 153, SB 340, SB 94, SB 305, SB 195, SB 23, SB 213, SB 211, SB 184, SB 295, SB 294**

and **SB 291** had been examined and found correctly enrolled. **SB 226, SB 156, SB 93, SB 275, SB 280, SB 89, SB 127, SB 285, SB 92, SB 221, SB 284, SB 188, SB 245, SB 169, SR 58, SB 257, SB 153, SB 340, SB 94, SB 305, SB 195, SB 23, SB 213, SB 211, SB 184, SB 295, SB 294,** and **SB 291** read at length, compared and signed in open session by the Speaker. Ordered delivered to the Senate.

Report of Committees

The Committee on Rules reported **HR 35, SB 222, SB 289, SB 269, SB 12, SB 43, SB 234, SB 286, SB 327, SB 382, SB 389, SB 387, SB 227, SB 117, SB 312, SB 77, SB 402, SB 404, SB 406, SR 63, SB 224** and **SB 100** have been posted for passage in Orders of the Day, March 20, 1970.

Report on Enrolled Bills

The Committee on Enrollment reported **HB 546, HB 581, HB 192, HB 338, HB 329** and **HB 331** had been examined and found correctly enrolled. **HB 546, HB 581, HB 192, HB 338, HB 329, HB 331** read at length, compared and signed in open session by the Speaker. Ordered delivered to the Senate.

HB 546, HB 581, HB 192, HB 338, HB 329 and **HB 331** delivered to the Senate, signed by President. Ordered delivered to the Governor.

Orders of the Day

Representative McBrayer moved that **SB 289** be substituted for **HB 688.** Agreed.

Representative Schmidt moved that action on **SB 289** be temporarily deferred. Agreed.

HB 490, with Committee Amendment attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative McBrayer moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Priddy moved the adoption of the Committee Amendment No. 1 to **HB 490.** Agreed.

Representative Nett moved the adoption of the following Amendment No. 2 to **HB 490:**

Amend printed copy of House Bill 490 on page 2, line 11, by: deleting "practitioners of accounting" and insert in lieu therefor "bookkeepers" line 16, delete "practitioners of accounting" and insert in lieu therefor "public bookkeeper"

line 19, delete ", in addition to Certified Public Account-"

line 20, delete "ants,"

line 20, delete "professional accountants" and insert in lieu therefor "bookkeepers"

line 20, delete "Ac-" and insert in lieu therefor "Public Bookkeepers"

line 21, delete "counting Practitioners"

line 28, delete "Accounting Practitioners" and insert in lieu therefor "Public Bookkeepers"

Page 3, line 5, by deleting "accounting practitioner" and insert in lieu therefor "public bookkeeper"

line 15, delete "Account-" and insert in lieu therefor "Public Bookkeepers"

line 16, delete "ing Practitioners"

line 16, delete "accounting" and insert in lieu therefor "public bookkeepers"

line 17, delete "practitioners"

line 24, delete "accounting practi-" and insert in lieu therefor "Public Bookkeepers"

line 25, delete "tioners licensed"

Page 5, line 18, delete "accounting prac-" and insert in lieu therefor "public bookkeeping"

line 19, delete "titioners"

Page 6, line 13, delete "accountancy" and insert in lieu therefor "public bookkeeping"

line 15, delete "accounting" and insert in lieu therefor "bookkeeping"

line 15, delete "professional"

line 16, delete "an accounting practitioner, public accountant or certi-"

and insert in lieu therefor "a public bookkeeper"

line 17, delete "fied public accountant"

line 18, delete "an accountant" and insert in lieu therefor "a bookkeeper"

line 19, delete "auditing;"

line 21, delete "verification of"

lines 22 and 23 delete all words

line 27, delete "accountancy" and insert in lieu therefor "bookkeeping"

line 28, delete "accountant, accounting practi-" and insert in lieu therefor "bookkeeper."

Page 7, line 1, delete all words

line 28, delete "an accounting practitioner" and insert in lieu therefor "a public bookkeeper"

Page 8, line 2, delete "ac-"

line 3, delete "countants, accounting practitioners or"

line 5, delete "accountancy" and insert in lieu therefor "bookkeeping"

line 7, delete "accountancy" and insert in lieu therefor "bookkeeping"

line 13, delete "accountants or"

line 15, delete "accounting" and insert in lieu therefor "public bookkeeping"

line 25, delete "accounting practitioner" and insert in lieu therefor "public bookkeeper"

Page 9, line 5, delete "an accounting" and insert in lieu therefor "a public bookkeeper"

line 6, delete "practitioner"

line 10, delete "Accounting Practitioners" and insert in lieu therefor "Public Bookkeepers"

line 11, delete "and shall adhere to the standards established by the"

line 12, delete "National Society of Public Accountants"

line 16, delete an accounting practitioner" and insert in lieu therefor "a public bookkeeper"

Page 10, line 15, delete "an accounting practitioner and the" and insert in lieu therefor "a public bookkeeper."

line 16, delete all words

line 20, delete "accounting" and insert in lieu therefor "bookkeeping"

line 20, delete "accounting practitioners" and insert in lieu therefor "public bookkeepers"

line 21, delete "accounting practitioners" and insert in lieu therefor "public bookkeepers"

line 26, delete "an accounting practitioner" and insert in lieu therefor "a public bookkeeper"

Page 11, line 2, delete "Accounting Practitioners" and insert in lieu therefor "Public Bookkeepers"

line 11, delete "accounting practitioners" and insert in lieu therefor "public bookkeepers"

line 12, delete "accounting" and insert in lieu therefor "public bookkeepers"

line 13, delete "practitioners"

line 13, delete "ac-"

line 14, delete "counting practitioners" and insert in lieu therefor "public bookkeepers"

Page 13, line 2, delete "accounting" and insert in lieu therefor "bookkeeping"

line 28, delete all words and insert in lieu therefor "public bookkeepers"

Page 14, line 1, delete "practitioner"

line 2, delete "accounting practitioner" and insert in lieu therefor "public bookkeepers"

line 4, delete "certified public" and insert in lieu therefor "public bookkeepers"

line 5, delete "accountants, public accountants or accounting practitioners"

line 11, delete "accounting practitioners" and insert in lieu therefor "public bookkeepers"

line 17, delete "over-all" twice

Agreed.

On the roll call the vote was yeas 26—Alexander, Archie Brown, Edward G. Brown, Carroll, Chapman, Clapp, Collins, Donnermeyer, Durham, Graves, Huff, Isler, Keene, Keith, Kenton, Kidd, Kleier, McBride, Mershon, Miller, Murphy, Nett, Peak, Priddy, Russell Reynolds, Roberts. Nays 32—Allen, Baker, Blandford, Blythe, H. Brown, Bruce, Curlin, Dorris, Floyd, Head, Lewis, Lindsay, Lovins, McCann, Osborne, Parish, Paxton, Prather, Rattliff, Reed, Rickert, Ruh, Salyers, Simmons, Stuart, Tobin, Van Horn, West, Wheeler, G. White, Wible, Wright.

HB 490 as amended was defeated.

HR 35 taken from Orders of the Day and ordered read at length for the third time. Representative McBrayer moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

HR 35 was adopted.

SB 222 taken from Orders of the Day and ordered read at length for the third time. Representative McBrayer moved that

it be read by title only and placed upon its passage. Agreed by a majority of members elected.

On the roll call the vote was yeas 74—Alexander, Allen, Arnett, Baker, Bartley, Blandford, Blume, Blythe, Archie Brown, Edward G. Brown, Hershel Brown, Bruce, Carroll, Carter, Chapman, Clarke, Collins, Conn, Curlin, James A. Davis, Walter Davis, Deskins, Donnermeyer, Durham, Floyd, Graves, L. T. Hardin, Head, Hinkle, Huff, Isler, Keene, Keith, Kenton, Kessinger, Kidd, Kleier, Knuckles, Lewis, Louden, Lovins, McBrayer, McBride, McCann, McKinney, McNamara, Massey, May, Mershon, Miller, Mitchell, Murphy, Osborne, Parish, Peak, Prather, Priddy, Rattliff, Russell Reynolds, T. P. Reynolds, W. J. Reynolds, Rickert, Ruh, Salyers, Sharpe, Simmons, Stuart, Swinford, Wenz, West, Wheeler, Wible, Wright, Wyatt. Nays 2—Freeman, Van Horn.

SB 222 was passed and the title agreed to.

Representative McBrayer moved that the vote by which **SB 222** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

Senate Message

Announcing passage of **HB 521** with Amendment, **HB 52** with Amendment, **HR 28** with Amendment, **HB 21, HB 444, HR 55, HR 11, HB 398, HB 593, HB 594, HB 147, HB 222, HB 469, HB 460, HB 393, HB 390, HB 382, HB 353, HB 295, HB 221, HB 209, HB 186, HB 178** and **HB 72.**

Orders of the Day (Continued)

SB 234 taken from Orders of the Day and ordered read at length for the third time. Representative McBrayer moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative E. G. Brown moved the adoption of the following Amendment to **SB 234:**

Amend printed copy of Senate Bill 234 on page 2, by: deleting all material on lines 21 through 28, and on page 3, by deleting

all material on lines 1 through 11 and on page 2, following line 20, by inserting the folling material:

(4) (a) The term "tour bus certificate" means a certificate granting authority to transport passengers for hire over irregular routes to designated points of interest within the territory covered by such certificate; provided, however, that no charter service may be rendered under such authority;

(b) A "tour bus" is a motor vehicle operated under one or more tour bus certificates. A tour bus must be accompanied by a guide or driver trained to explain points of interest included on such tours. No individual tour shall consume in excess of twenty-four hours, and each individual tour shall be a round trip with one site as its origin and destination points, and passengers must board at and return to the origin point of such tour.

(c) A "tour bus license" means a license issued for a bus authorizing its operation under one or more tour bus certificates.

Section 2. Section 186.281 of the Kentucky Revised Statutes is amended to read as follows:

(1) On or before January 1 of each year, and as a condition precedent to the use of the highways, every motor carrier primarily engaged in transporting passengers for hire shall pay to the Department of Motor Transportation for the privilege of using the highways an annual tax upon each motor vehicle so used, as follows: Four dollars and fifty cents for each regular seat for the first thirty-one seats, and eight dollars for all seats in excess of thirty-one; except as provided in subsection (2) of this section and except that taxicabs, city buses, industrial buses, suburban buses, *tour buses* and U-Drive-Its, shall pay the fees set forth in subsection (4) of this section.

(2) (a) Any such motor carrier engaged in regular route interstate commerce or combined interstate and intrastate commerce and operating two or more vehicles in Kentucky shall be required to pay only that portion of a tax imposed by subsection (1) as the number of miles operated by such fleet of motor vehicles in Kentucky bears to the total miles operated by such fleet in any license year, or portion thereof.

(b) Any such motor carrier shall prior to January 1 of each license year, and as a prerequisite to operating on the highways of this state, obtain a permit from the Department of Motor Transportation and at that time shall pay its estimated tax hereunder, as determined by the Department of Motor Transportation's applicable regulations, and execute bond for any additional tax which might be due, with or without surety thereon, as the Department of Motor Transportation in its discretion and according to its regulations might require.

(c) The Department of Motor Transportation is authorized and directed to promulgate such rules and regulations as may be necessary to effectuate the apportionment of taxes prescribed in subsection (2). Such regulations shall provide that the estimate of such taxes for any license year shall be that proportion that would have been due in the prior license year and shall further provide for a license year-end accounting with a system of credit or deficiency assessment in any amount by which the estimate differs from the tax due hereunder.

(3) Every motor carrier primarily engaged in transporting passengers for hire shall pay to the Department of Motor Transportation for the privilege of using the highways, including deadhead mileage, a mileage tax as follows: Buses with one to twenty regular seats inclusive, none; buses with twenty-one to twenty-nine regular seats, inclusive, one-fourth of a cent per miles; buses with thirty to thirty-four regular seats, inclusive, one-half of a cent per mile; buses with thirty-five to thirty-nine regular seats, inclusive, three-fourths of a cent per mile; buses with forty regular seats or more, one cent per mile, except that taxicabs, city buses, industrial buses, suburban buses, *tour buses* and U-Drive-Its shall pay the fees set forth in subsection (4) of this section, in addition to all fees set forth in KRS 186.050(1) if applicable.

(4) Taxicabs, city, suburban and industrial buses, *tour buses* and U-Drive-Its, shall pay the following annual license fees:

Each taxicab ----------$3.00 per seat

Each city bus ---------- 5.00 per vehicle

Each industrial bus ..... 2.50 per seat

Each suburban bus ..... 5.00 per vehicle

Each tour bus ..... 2.50 *per seat*

Each U-Drive-It passenger car ..... 2.50 per seat

(5) All cities of the Commonwealth are hereby authorized to impose an annual license tax on all taxicabs certificated by the Department of Motor Transportation for operation in said city, which license tax shall not exceed thirty dollars per taxicab.

Agreed.

On the roll call the vote was yeas 88—Alexander, Arnett, Baker, Bartley, Blandford, Bleemel, Blume, Blythe, Edward G. Brown, Hershel Brown, Bruce, Chapman, Clapp, Clarke, Collins, Conn, Curlin, James A. Davis, Walter Davis, DeMarcus, Deskins, Donnermeyer, Dorris, Durham, Floyd, Freeman, Graves, Haney, John O. Hardin, L. T. Hardin, Head, Hinkle, Holloway, Huff, Isler, Keene, Keith, Kenton, Kessinger, Kidd, Kleier, Knuckles, Lewis, Lindsay, Louden, Lovins, McBrayer, McBride, McCann, McKinney, Massey, May, Mershon, Miller, Mitchell, Nett, Osborne, Parish, Paxton, Peak, Pollitte, Prather, Priddy, Rattliff, Ray, Reed, T. P. Reynolds, W. J. Reynolds, Rickert, Ruh, Salyers, Schmidt, Sharpe, Siemens, Simmons, Stuart, Swinford, Van Horn, Wells, Wenz, West, Wheeler, Glenn White, John E. White, Wible, Wright, Wyatt, Yocom. Nays 0.

SB 234 as amended was passed and the title agreed to.

SB 286 taken from Orders of the Day and ordered read at length for the third time. Representative McBrayer moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

On the roll call the vote was yeas 80—Alexander, Arnett, Baker, Bartley, Blandford, Bleemel, Blume, Hershel Brown, Bruce, Carroll, Chapman, Clapp, Clarke, Collins, Curlin, James A. Davis, Walter Davis, DeMarcus, Deskins, Donnermeyer, Dorris, Durham, Floyd, Freeman, Graves, Haney, John O. Hardin, L. T. Hardin, Head, Hinkle, Holloway, Huff, Isler, Keene, Keith, Kenton, Kessinger, Kidd, Knuckles, Lewis, Lindsay, Lovins, Mc-

Brayer, McBride, McCann, McKinney, May, Miller, Mitchell, Nett, Osborne, Parish, Paxton, Peak, Pollitte, Prather, Priddy, Rattliff, Ray, Reed, Russell Reynolds, T. P. Reynolds, W. J. Reynolds, Rickert, Ruh, Salyers, Sharpe, Siemens, Simmons, Swinford, Van Horn, Wenz, West, Wheeler, Glenn White, John E. White, Wible, Wright, Wyatt, Yocom. Nays 0.

SB 286 was passed and the title agreed to.

SB 382 taken from Orders of the Day and ordered read at length for the third time. Representative McBrayer moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

On the roll call the vote was yeas 86—Alexander, Allen, Arnett, Baker, Bartley, Blandford, Bleemel, Blume, Blythe, Edward G. Brown, Hershel Brown, Bruce, Carroll, Chapman, Clapp, Clarke, Collins, Curlin, James A. Davis, Walter Davis, DeMarcus, Deskins, Donnermeyer, Dorris, Durham, Floyd, Freeman, Graves, Haney, John O. Hardin, L. T. Hardin, Head, Hinkle, Holloway, Huff, Isler, Keene, Keith, Kessinger, Kidd, Knuckles, Lewis, Lindsay, Louden, Lovins, McBrayer, McCann, McKinney, McNamara, Massey, May, Mershon, Mitchell, Murphy, Nett, Osborne, Parish, Paxton, Pollitte, Prather, Priddy, Rattliff, Ray, Reed, Russell Reynolds, T. P. Reynolds, W. J. Reynolds, Rickert, Ruh, Salyers, Schmidt, Sharpe, Siemens, Simmons, Stuart, Swinford, Van Horn, Wells, Wenz, West, Wheeler, John E. White, Wible, Wright, Wyatt, Yocom. Nays 0.

SB 382 was passed and the title agreed to.

SB 389 taken from Orders of the Day and ordered read at length for the third time. Representative McBrayer moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

On the roll call the vote was yeas 67—Alexander, Arnett, Baker, Blandford, Bleemel, Blume, Blythe, Hershel Brown, Chapman, Clarke, Collins, Conn, Curlin, Walter Davis, DeMarcus, Deskins, Donnermeyer, Dorris, Durham, Floyd, Haney, John O. Hardin, L. T. Hardin, Head, Hinkle, Holloway, Huff, Hughes, Isler, Keene, Keith, Kenton, Kessinger, Kidd, Knuckles, McBrayer, McNamara, Massey, May, Mershon, Miller, Mitchell,

Murphy, Osborne, Parish, Paxton, Peak, Prather, Priddy, Russell Reynolds, T. P. Reynolds, W. J. Reynolds, Rickert, Ruh, Schmidt, Siemens, Simmons, Stuart, Swinford, Tobin, Van Horn, West, Wheeler, John E. White, Wible, Wright, Wyatt. Nays 10—Bartley, Bruce, Clapp, Freeman, Graves, Lewis, Lovins, Pollitte, Reed, Wenz.

SB 389 was passed and the title agreed to.

Representative McBrayer moved that the House concur in the following Senate Amendment to **HR 28:**

Amend printed copy of House Resolution 28 on page 3, line 23, by:

deleting the word "December" and inserting in lieu thereof the word "September"

Agreed.

On the roll call the vote was yeas 63—Alexander, Allen, Arnett, Blandford, Bleemel, Blume, Blythe, Hershel Brown, Carroll, Carter, Clarke, Conn, Curlin, James A. Davis, Walter Davis, Deskins, Donnermeyer, Dorris, Floyd, Graves, Haney, John O. Hardin, Head, Hinkle, Holloway, Hughes, Isler, Keene, Keith, Kenton, Kidd, Knuckles, Lewis, Lindsay, Lovins, McBrayer, McBride, McNamara, May, Mershon, Miller, Mitchell, Murphy, Nett, Paxton, Peak, Prather, Priddy, Reed, Russell Reynolds, T. P. Reynolds, W. J. Reynolds, Rickert, Ruh, Simmons, Swinford, Tobin, Van Horn, Wenz, West, Wheeler, Wible, Wyatt. Nays 5—Bartley, Collins, Durham, Schmidt, Stuart.

HR 28 as amended was passed and the title agreed to.

Representative McBrayer moved that the House concur in the following Senate Amendment to **HB 52:**

Amend printed copy of House Bill 52 on page 1, line 4, by: changing the figure *1970* to *1972*

Agreed.

On the roll call the vote was yeas 77—Alexander, Allen, Arnett, Baker, Blandford, Bleemel, Blume, Blythe, Hershel Brown, Bruce, Carroll, Chapman, Clarke, Collins, Conn, James A. Davis, DeMarcus, Deskins, Donnermeyer, Dorris, Durham,

Floyd, Freeman, Graves, Haney, John O. Hardin, L. T. Hardin, Head, Hinkle, Huff, Hughes, Isler, Keith, Kenton, Kessinger, Kidd, Knuckles, Lewis, Louden, Lovins, McBrayer, McBride, McNamara, Massey, May, Mershon, Miller, Mitchell, Murphy, Nett, Osborne, Paxton, Peak, Pollitte, Prather, Priddy, Rattliff, Ray, Reed, Russell Reynolds, T. P. Reynolds, W. J. Reynolds, Rickert, Ruh, Salyers, Sharpe, Simmons, Stuart, Swinford, Tobin, Van Horn, Wenz, West, Wheeler, John E. White, Wible, Wright. Nays 1—Parish.

HB 52 as amended was passed and the title agreed to.

Representative Knuckles moved that a roll call be taken for co-sponsors of **HB 52** as amended. Agreed.

Representatives—Alexander, Allen, Arnett, Baker, Bartley, Blandford, Bleemel, Blythe, Edward G. Brown, Hershel Brown, Carroll, Carter, Chapman, Collins, James A. Davis, Walter Davis, DeMarcus, Deskins, Donnermeyer, Dorris, Durham, Floyd, Freeman, Graves, Haney, John O. Hardin, Head, Hinkle, Holloway, Huff, Hughes, Isler, Keith, Kenton, Kessinger, Kidd, Kleier, Knuckles, Lewis, Lindsay, Louden, Lovins, McBrayer, McBride, McKinney, McNamara, Massey, May, Mershon, Miller, Nett, Osborne, Parish, Paxton, Peak, Pollitte, Prather, Priddy, Ray, Reed, Russell Reynolds, T. P. Reynolds, W. J. Reynolds, Rickert, Ruh, Sharpe, Simmons, Swinford, Tobin, Van Horn, Wenz, West, Wheeler, John E. White, Wible, Wright.

Representative McBrayer moved that the House concur in the following Senate Amendment to **HB 521:**

Amend printed copy of House Bill 521 on page 24, line 21-26, by:

Striking lines 21-22-23-24-25-26 in their entirety, and substituting the following in lieu thereof:

"Nothing contained in this Act shall be construed as amending, repealing or superseding any provision of KRS 217.005 to 217.215 (the Kentucky Food, Drug and Cosmetic Act) or the regulations adopted thereunder by the State Board of Health."

And by adding a new Section 43 on page 25 to read as follows:

"Section 43. Sections 363.030 to 363.990 of the Kentucky Revised Statutes are repealed."

Agreed.

On the roll call the vote was yeas 75—Alexander, Allen, Baker, Bartley, Blandford, Bleemel, Blume, Blythe, Hershel Brown, Bruce, Carter, Chapman, Clarke, Collins, Conn, Curlin, Walter Davis, Deskins, Donnermeyer, Dorris, Durham, Floyd, Graves, Haney, John O. Hardin, L. T. Hardin, Head, Hinkle, Huff, Hughes, Isler, Keene, Keith, Kenton, Kessinger, Kidd, Knuckles, Lewis, Lindsay, Louden, McBrayer, McBride, McCann, McNamara, May, Mershon, Miller, Mitchell, Nett, Osborne, Paxton, Peak, Prather, Priddy, Rattliff, Ray, Reed, Russell Reynolds, T. P. Reynolds, W. J. Reynolds, Rickert, Ruh, Salyers, Sharpe, Siemens, Simmons, Swinford, Tobin, Van Horn, Wenz, Wheeler, Glenn White, John E. White, Wible, Wright. Nays 0.

HB 521 as amended was passed and the title agreed to.

Representative McBrayer moved the adoption of **HR 126.** Agreed.

HR 126, A RESOLUTION honoring the Council of Neighborhood Organizations of Lexington, Kentucky.

WHEREAS, those achievements in which man can feel most proud are those things which he personally accomplishes for his fellow man; and

WHEREAS, the Council of Neighborhood Organizations is devoted to projects of self-help in underprivileged neighborhoods of Lexington, Kentucky; and

WHEREAS, the Council has grown to a membership of three hundred concerned citizens; and

WHEREAS, the Council draws its support from sixteen Lexington churches whose concern for their fellow man is practiced every day of the week;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

1. That this House congratulates and honors the Council of Neighborhood Organizations of Lexington, Kentucky for their concern and devotion to their fellow man as evidenced by good works, for the public good.

2. That the Clerk is directed to send an attested copy of this Resolution to Mr. William Bingham, 314 E. Short Street, Lexington, Kentucky 40507.

Representative McBrayer moved the adoption of **HR 128.** Agreed.

HR 128, A RESOLUTION commending the efforts of the Vietnam Memorial Non-Profit Corporation.

WHEREAS, the United States of America has contributed immeasurably of its manpower and of its resources to the hostilities in the Republic of Vietnam; and

WHEREAS, the Commonwealth of Kentucky has with sorrowful but steadfast resolve borne its share of the burden in that armed conflict; and

WHEREAS, the Commonwealth of Kentucky has given generously of that most precious and rare resource, the lives of its native sons; and

WHEREAS, the Vietnam Memorial Non-Profit Corporation has formulated plans to erect a Vietnam National Memorial in Jefferson County, Kentucky, commemorating the heroism not only of those Kentuckians who have served or who have lost their lives in Southeast Asia, but of all such men;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

Section 1. That the Vietnam Memorial Non-Profit Corporation be commended and encouraged in this sizable endeavor.

Section 2. That all citizens of Kentucky who are able should cooperate with and assist those who have conceived and begun this worthwhile project with great vitality.

Section 3. That a copy of this resolution be sent to S. W. "Phil" Matlock, National Chairman, Vietnam Memorial Non-Profit Corporation.

Representative Priddy moved the adoption of **HR 129.** Agreed.

HR 129, by Representative Priddy: A RESOLUTION commending the Pleasure Ridge Park High School Basketball Team.

WHEREAS, Kentucky is the basketball capital of the universe; and

WHEREAS, the determination and efforts of our Youth is always recognized; and

WHEREAS, Kentucky has always been known as the land that favors the underdog; and

WHEREAS, Pleasure Ridge Park High School is small in population but strong in determination and effort; and

WHEREAS, Pleasure Ridge Park High School has advanced to the quarter-finals of the Kentucky High School State Basketball Tournament;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

Pleasure Ridge Park High School is hereby commended for its determination and effort against overwhelming odds in achieving this success.

Representative Roberts moved the adoption of **HR 127.** Agreed.

HR 127, A RESOLUTION directing that the Joint Interim Committee on Education make a study of school districting in Kentucky and determine the advisability of creating regional administrative districts.

WHEREAS, it appears that within the Kentucky school district structure a more efficient and economical arrangement could be employed to great benefit;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

Section 1. That the Joint Interim Committee on Education be directed to make a comprehensive study of school districting in Kentucky, and make recommendations to the 1972 Kentucky General Assembly regarding the advisability of creating regional administrative districts.

Recess

Representative McBrayer moved that the House recess until 1:30 p.m. Agreed.

At the appointed hour, the Speaker resumed the Chair and called the House to order.

Report on Enrolled Bills

The Committee on Enrollment reported **SB 323, SB 341, SB 207, SB 319, SB 388, SB 80** and **SB 179** had been examined and found correctly enrolled. **SB 323, SB 341, SB 207, SB 319, SB 388, SB 80** and **SB 179** read at length, compared and signed in open session by the Speaker. Ordered delivered to the Senate.

Senate Message

Announcing passage of **HB 692** with Amendment, **HB 543** with Amendment, **HB 262, HB 583, HB 615, HB 612, HB 590, HB 566, HB 542, HB 538, HB 511, HB 482, HB 423, HB 318, HB 206, HB 176, HB 132, HB 82, HR 59** and **HR 48. SB 234** returned with letter requesting that the House recede from the House Amendment to **SB 234.**

Orders of the Day (Continued)

SB 12, with Committee Amendment attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative McBrayer moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Blythe moved the adoption of the Committee Amendment No. 1 to **SB 12.** Agreed.

Representative Blythe moved the adoption of the following Amendment No. 2 to **SB 12:**

Amend printed copy of Senate Bill 12 on page 2, lines 25 through 27 by: deleting, by bracketing, following the word "appoint" in line 25 the words "a person having the qualifications of a circuit judge to preside over a Common Pleas Branch, eighth division; and"

and

on page 3, line 2, by deleting the "s" on the word "judges"

and

on line 3 by deleting, by bracketing, the words "in their respective divisions"

and on line 4, deleting, by bracketing, the word "they" and inserting in lieu thereof the word *"he"*

Agreed.

On the roll call the vote was yeas 78—Alexander, Allen, Baker, Bartley, Blandford, Bleemel, Blume, Blythe, Archie Brown, Edward G. Brown, Hershel Brown, Bruce, Chapman, Clarke, Collins, Conn, Curlin, James A. Davis, Walter Davis, DeMarcus, Deskins, Dorris, Durham, Floyd, Haney, John O. Hardin, L. T. Hardin, Head, Hinkle, Holloway, Huff, Hughes, Isler, Keene, Keith, Kidd, King, Kleier, Knuckles, Lewis, Louden, McBrayer, McBride, McCann, McKinney, McNamara, Massey, May, Mershon, Miller, Mitchell, Murphy, Nett, Osborne, Paxton, Peak, Prather, Priddy, Rattliff, Ray, Reed, Rickert, Ruh, Salyers, Schmidt, Sharpe, Stuart, Swinford, Tobin, Van Horn, Wenz, Wheeler, Glenn White, John E. White, Wible, Wright, Wyatt, Yocom. Nays 0.

SB 12 as amended was passed and the title agreed to.

Representative Blythe moved that the vote by which **SB 12** as amended was passed be reconsidered and said motion be postponed indefinitely. Agreed.

SB 387 taken from Orders of the Day and ordered read at length for the third time. Representative McBrayer moved that

it be read by title only and placed upon its passage. Agreed by a majority of members elected.

On the roll call the vote was yeas 68—Arnett, Baker, Blandford, Blume, Blythe, Archie Brown, Edward G. Brown, Carroll, Carter, Chapman, Clarke, Collins, Conn, Curlin, James A. Davis, Walter Davis, DeMarcus, Deskins, Dorris, Durham, Haney, John O. Hardin, Head, Hinkle, Huff, Hughes, Isler, Keene, Keith, Kidd, Kleier, Knuckles, Lindsay, Louden, McBrayer, McBride, McCann, McNamara, May, Mershon, Miller, Mitchell, Murphy, Nett, Osborne, Parish, Paxton, Peak, Prather, Priddy, Reed, Russell Reynolds, T. P. Reynolds, W. J. Reynolds, Rickert, Ruh, Siemens, Simmons, Stuart, Swinford, Tobin, West, Wheeler, John E. White, Wible, Wright, Wyatt, Yocom. Nays 7—Bruce, Freeman, Graves, Lovins, Ray, Salyers, Van Horn.

SB 387 was passed and the title agreed to.

Representative McBrayer moved that the vote by which **SB 387** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

Senate Message

Announcing passage of **HB 159, HB 319, HB 416, HB 480, HB 514** with Amendment, **HB 61** with Amendment and **HB 642** with Amendment.

Report on Enrolled Bills

The Committee on Enrollment reported **HR 28, HB 52, HB 442, HB 469, HB 222, HB 444, HR 55, HR 11, HB 147, HB 72, HB 393, HB 390, HB 221, HB 353, HB 209, HB 186, HB 178, HB 21, HB 295, HB 398, HB 593, HB 382, HB 460** and **HB 594** had been examined and found correctly enrolled. **HR 28, HB 52, HB 442, HB 469, HB 222, HB 444, HR 55, HR 11, HB 147, HB 72, HB 393, HB 390, HB 221, HB 353, HB 209, HB 186, HB 178, HB 21, HB 295, HB 398, HB 593, HB 382, HB 460** and **HB 594**

read at length, compared and signed in open session by the Speaker. Ordered delivered to the Senate.

HR 28, HB 52, HB 442, HB 469, HB 222, HB 444, HR 55, HR 11, HB 147, HB 72, HB 393, HB 390, HB 221, HB 353, HB 209, HB 186, HB 178, HB 21, HB 295, HB 398, HB 593, HB 382, HB 460 and **HB 594** delivered to the Senate, signed by President. Ordered delivered to the Governor.

Orders of the Day (Continued)

Representative McBrayer moved that the House concur in the following Senate Amendment to **HB 543:**

Amend printed copy of House Bill 543 on page 1, line 6, by: Striking the words "first or"

Agreed.

On the roll call the vote was yeas 68—Alexander, Allen, Baker, Blandford, Bleemel, Blume, Blythe, Archie Brown, Edward G. Brown, Hershel Brown, Bruce, Chapman, Clapp, Conn, Curlin, James A. Davis, Walter Davis, Deskins, Dorris, Durham, Haney, L. T. Hardin, Head, Huff, Isler, Keene, Keith, Kenton, Kessinger, Kidd, King, Kleier, Lewis, Lindsay, Louden, McBrayer, McBride, McCann, May, Mershon, Mitchell, Murphy, Nett, Osborne, Parish, Paxton, Peak, Pollitte, Prather, Priddy, Reed, Russell Reynolds, T. P. Reynolds, W. J. Reynolds, Rickert, Ruh, Schmidt, Sharpe, Siemens, Simmons, Swinford, Tobin, Van Horn, Wells, Wenz, West, Wheeler, Wible. Nays 0.

HB 543 as amended was passed and the title agreed to.

Representative McBrayer moved that the vote by which **HB 543** as amended was passed be reconsidered and said motion be postponed indefinitely. Agreed.

Representative McBrayer moved that the House concur in the Senate request that the House recede from its Amendment to **SB 234.** Agreed.

Representative McBrayer moved that **SB 234** be placed upon its passage without the House Amendment.

On the roll call the vote was yeas 86—Alexander, Allen, Arnett, Baker, Bartley, Blandford, Bleemel, Blume, Archie Brown, Edward G. Brown, Hershel Brown, Bruce, Carter, Chapman, Clapp, Clarke, Collins, Conn, James A. Davis, Walter Davis, DeMarcus, Deskins, Dorris, Durham, Floyd, Graves, Haney, John O. Hardin, L. T. Hardin, Head, Hinkle, Holloway, Huff, Hughes, Isler, Keene, Keith, Kenton, Kessinger, Kidd, King, Knuckles, Lewis, Lindsay, McBrayer, McBride, McCann, McNamara, Massey, May, Mershon, Miller, Mitchell, Murphy, Nett, Osborne, Parish, Paxton, Peak, Pollitte, Prather, Rattliff, Ray, Reed, Russell Reynolds, T. P. Reynolds, W. J. Reynolds, Rickert, Ruh, Salyers, Schmidt, Sharpe, Simmons, Stuart, Swinford, Tobin, Van Horn, Wells, Wenz, West, Wheeler, Glenn White, John E. White, Wible, Wright, Yocom. Nays 0.

SB 234 was passed and title agreed to.

Representative McBrayer moved that the House concur in the following Senate Amendment to **HB 61:**

Amend printed copy of House Bill 61 on page 1, line 6, by:

after the word "schools" insert the following "not to exceed three"

and on page 1, line 7, by:

after the word "days" insert the following "per school year"

and on page 1 by deleting the words "AN ACT relating to personal leave for teachers." and inserting in lieu thereof "AN ACT relating to personal leave for school personnel."

Agreed.

On the roll call the vote was yeas 85—Alexander, Allen, Arnett, Baker, Bartley, Blandford, Bleemel, Blume, Blythe, Archie Brown, Edward G. Brown, Hershel Brown, Bruce, Carroll, Carter, Chapman, Clarke, Collins, Conn, Curlin, James A. Davis, Walter Davis, DeMarcus, Deskins, Durham, Floyd, Graves, Haney, John O. Hardin, L. T. Hardin, Head, Hinkle, Holloway, Huff, Hughes, Isler, Keene, Keith, Kenton, Kessinger, Kidd, King, Kleier, Knuckles, Lewis, Lindsay, Louden, Lovins, McBrayer, McBride, McNamara, Massey, May, Miller, Mitchell, Nett, Osborne, Parish, Paxton, Peak, Prather, Priddy, Rattliff, Ray, Reed, Russell Reynolds, W. J. Reynolds, Rickert, Ruh, Salyers, Schmidt, Sharpe, Simmons, Swinford, Tobin, Van Horn,

Wells, Wenz, West, Wheeler, John E. White, Wible, Wright, Wyatt, Yocom. Nays 0.

HB 61 as amended was passed and the title agreed to.

Representative McBrayer moved that the House concur in the following Senate Amendment to **HB 642:**

Amend printed copy of House Bill 642 on page 1, line 3, by: deleting *"first"*

Page 17, by adding: Section 19. A new section of KRS 89.390 to 89.990 is created to read as follows:

This Act shall apply only to cities of the first class in counties containing less than 300,000 persons.

Agreed.

On the roll call the vote was yeas 68—Alexander, Allen, Arnett, Baker, Bartley, Blandford, Bleemel, Blume, Archie Brown, Carter, Chapman, Clarke, Curlin, James A. Davis, Walter Davis, Deskins, Dorris, Durham, Graves, John O. Hardin, L. T. Hardin, Head, Hinkle, Huff, Hughes, Isler, Keene, Keith, Kenton, Kessinger, Kidd, King, Kleier, Knuckles, Lewis, Lindsay, Lovins, McBrayer, McBride, McCann, McNamara, May, Mershon, Mitchell, Murphy, Nett, Osborne, Paxton, Peak, Pollitte, Prather, Reed, Russell Reynolds, T. P. Reynolds, W. J. Reynolds, Rickert, Roberts, Ruh, Salyers, Simmons, Swinford, Tobin, Wenz, Wheeler, Glenn White, John E. White, Wible, Yocom. Nays 3—Van Horn, West, Wright.

HB 642 as amended was passed and the title agreed to.

Representative McBrayer moved that the House concur in the following Senate Amendment to **HB 692:**

Amend printed copy of House Bill 692 on page 1, line 6, by:

inserting after the word "gas" the words "as those terms are defined in the Natural Gas Pipeline Safety Act of 1968, U. S. Congress"

Agreed.

On the roll call the vote was yeas 78—Alexander, Allen, Bartley, Blandford, Bleemel, Blume, Blythe, Archie Brown, Edward G. Brown, Hershel Brown, Bruce, Carter, Chapman, Clarke,

Collins, Curlin, James A. Davis, Walter Davis, Deskins, Dorris, Durham, Floyd, Graves, Haney, L. T. Hardin, Head, Hinkle, Huff, Isler, Keene, Keith, Kenton, Kessinger, Kidd, King, Kleier, Knuckles, Lewis, Lindsay, Louden, McBride, McCann, McKinney, McNamara, May, Mershon, Mitchell, Nett, Osborne, Parish, Paxton, Peak, Pollitte, Prather, Priddy, Reed, Russell Reynolds, T. P. Reynolds, W. J. Reynolds, Rickert, Ruh, Salyers, Schmidt, Sharpe, Siemens, Simmons, Stuart, Swinford, Tobin, Van Horn, Wells, Wenz, West, Wheeler, Glenn White, Wible, Wright, Yocom. Nays 0.

HB 692 as amended was passed and the title agreed to.

SB 117, with Second Committee Substitute attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative McBrayer moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Curlin moved the adoption of the Second Committee Substitute to **SB 117.** Agreed.

Representative Curlin moved the adoption of the following Amendment No. 1 to the Second Committee Substitute for **SB 117:**

Amend printed copy of Second Committee Substitute Senate Bill 117 on page 9, by: in Section 9 by amending the first three lines to read as follows:

"(1) The Council on Public Higher Education shall make recommendations concerning the statutory authority of the University of Louisville as a state supported school in the state system of higher education; study and report";

and on page 10, in Section 9(1), by deleting the last sentence of the subsection which reads: "Nothing in this Act shall be construed as defining the final role, functions, or programs of the University of Louisville.";

and on page 10 in the last sentence on page 10 of Section 9 (2) by amending the last sentence to read: "The Commission shall receive and study the report and recommendations directed by this Act, and shall make recommendations and proposals for legislation pertinent to the purposes of this Act, which shall be

presented to the General Assembly at the earliest opportunity, no later than the 1972-73 regular session."

and on page 10 by adding a new section to read: "Section 10. This Act shall become effective July 1, 1970."

On the roll call the vote was yeas 48—Blandford, Blume, Archie Brown, Carroll, Carter, Chapman, Clarke, Conn, Curlin, Deskins, Donnermeyer, Durham, Freeman, Graves, John O. Hardin, Head, Hughes, Isler, Keene, Kidd, Kleier, Lewis, Lindsay, Lovins, McBrayer, McBride, McCann, Mershon, Mitchell, Murphy, Parish, Paxton, Peak, Prather, Priddy, Reed, T. P. Reynolds, W. J. Reynolds, Roberts, Simmons, Swinford, Van Horn, Wells, Wenz, West, Glenn White, Wible, Yocom. Nays 38—Alexander, Arnett, Baker, Bartley, Bleemel, Blythe, H. Brown, Clapp, Collins, J. Davis, W. Davis, DeMarcus, Floyd, Haney, L. Hardin, Holloway, Huff, Keith, Kenton, Kessinger, King, Knuckles, McKinney, McNamara, Osborne, Rattliff, Ray, R. Reynolds, Rickert, Ruh, Salyers, Schmidt, Sharpe, Siemens, Stuart, Tobin, Wheeler, Wright.

Amendment No. 1 to the Second Committee Substitute for **SB 117** was adopted.

Representative Nett moved the adoption of the following Amendment No. 2 to the Second Committee Substitute for **SB 117:**

Amend printed copy of Second Committee Substitute for Senate Bill 117 by: striking Section 9 thereof and substituting therefor the following:

"Section 9. This Act shall become effective July 1, 1970."

On the roll call the vote was yeas 40—Alexander, Arnett, Baker, Bartley, Bleemel, Blythe, Archie Brown, Hershel Brown, Carter, Clapp, Collins, James A. Davis, Walter Davis, DeMarcus, Durham, Floyd, L. T. Hardin, Holloway, Huff, Keith, Kenton, Kessinger, King, Kleier, Louden, McKinney, Nett, Osborne, Rattliff, Ray, Russell Reynolds, Schmidt, Sharpe, Simmons, Stuart, Tobin, West, Wheeler, John E. White, Wright. Nays 48—Allen, Blandford, Blume, Carroll, Chapman, Clarke, Conn, Curlin, Deskins, Donnermeyer, Freeman, Graves, J. Hardin, Head, Hughes, Isler, Keene, Kidd, Knuckles, Lewis, Lindsay, Lovins, McBrayer, McBride, McCann, McNamara, May,

Mershon, Miller, Murphy, Paxton, Peak, Prather, Priddy, Reed, T. Reynolds, W. J. Reynolds, Rickert, Roberts, Ruh, Siemens, Swinford, Van Horn, Wenz, G. White, Wible, Wyatt, Yocom.

Amendment No. 2 to the Second Committee Substitute for **SB 117** was rejected.

On the roll call the vote was yeas 69—Alexander, Arnett, Blandford, Bleemel, Blume, Edward G. Brown, Bruce, Carroll, Carter, Chapman, Clapp, Clarke, Conn, Curlin, DeMarcus, Deskins, Donnermeyer, Dorris, Freeman, Graves, Haney, John O. Hardin, Head, Hinkle, Hughes, Isler, Keene, Kenton, Kidd, Kleier, Knuckles, Lewis, Lindsay, Louden, Lovins, McBrayer, McBride, McCann, McNamara, Massey, May, Mershon, Miller, Mitchell, Nett, Parish, Paxton, Peak, Pollitte, Prather, Priddy, Ray, Reed, T. P. Reynolds, W. J. Reynolds, Rickert, Roberts, Ruh, Salyers, Schmidt, Siemens, Swinford, Van Horn, Wells, Wenz, Glenn White, Wible, Wyatt, Yocom. Nays 21—Baker, Bartley, A. Brown, H. Brown, W. Davis, Floyd, L. Hardin, Holloway, Huff, Keith, Kessinger, King, McKinney, Osborne, Rattliff, Sharpe, Simmons, Stuart, West, Wheeler, J. White.

SB 117, by way of Second Committee Substitute as amended, was passed and the title agreed to.

Representative McBrayer moved that the vote by which **SB 117**, by way of Second Committee Substitute as amended, was passed be reconsidered and said motion be postponed indefinitely. Agreed.

Representative Lewis announced he wished to vote "yea" on SB 387.

Representative Pollitte announced he wished to vote "nay" on **SB 387.**

Representative Stuart announced he wished to vote "yea" on **SB 387.**

Representative Holloway announced he wished to vote "yea" on **SB 387.**

Representative King announced he wished to vote as follows: "nay" on **HB 452,** "yea" on **HB 691,** "nay" on **HB 555,** "yea" on **HB 688,** "yea" on **SB 276,** "nay" on **HB 490,** "yea" on **HR 35,** "yea"

on **SB 222**, "yea" on **SB 289**, "yea" on **SB 43**, "yea" on **SB 234**, "yea" on **SB 286**, "yea" on **SB 327**, "yea" on **SB 382**, and "yea" on **SB 389**.

Representative Knuckles announced he wished to vote "nay" on **SB 117**.

Representative Tobin announced she wished to vote "yea" on **SB 117**.

Representative Allen announced he wished to vote "yea" on **SB 117**.

Report on Enrolled Bills

The Committee on Enrollment reported **HB 206, HB 612, HB 566, HB 583, HB 615, HB 82, HB 542, HB 538, HB 521, HB 511, HR 59, HB 132, HB 423, HB 176, HB 480, HB 482, HB 318, HB 262, HB 416, HB 590, HB 61, HB 692, SB 382, SB 286, SB 389, SB 231, SB 222** and **SB 15** had been examined and found correctly enrolled. **HB 206, HB 612, HB 566, HB 583, HB 615, HB 82, HB 542, HB 538, HB 521, HB 511, HR 59, HB 132, HB 423, HB 176, HB 480, HB 482, HB 318, HB 262, HB 416, HB 590, HB 61, HB 692, SB 382, SB 286, SB 389, SB 231, SB 222** and **SB 15** read at length, compared and signed in open session by the Speaker. Ordered delivered to the Senate.

HB 206, HB 612, HB 566, HB 583, HB 615, HB 82, HB 542, HB 538, HB 521, HB 511, HR 59, HB 132, HB 423, HB 176, HB 480, HB 482, HB 318, HB 262, HB 416, HB 590, HB 61 and **HB 692** delivered to the Senate, signed by President. Ordered delivered to the Governor.

Orders of the Day (Continued)

SB 227, with Committee Amendment attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative McBrayer moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative E. G. Brown moved the adoption of the Committee Amendment to **SB 227.**

On the roll call the vote was yeas 45—Allen, Arnett, Blandford, Archie Brown, Edward G. Brown, Hershel Brown, Carroll, Chapman, Collins, Walter Davis, Donnermeyer, Dorris, Durham, Floyd, Haney, L. T. Hardin, Hinkle, Keith, Kenton, Knuckles, Louden, Lovins, McKinney, McNamara, Massey, Murphy, Parish, Peak, Rattliff, Reed, Russell Reynolds, W. J. Reynolds, Rickert, Roberts, Ruh, Salyers, Schmidt, Sharpe, Simmons, Stuart, Wells, West, Wheeler, John E. White, Wright. Nays 40—Baker, Bleemel, Blume, Blythe, Bruce, Carter, Clarke, Conn, Curlin, Graves, Head, Holloway, Huff, Hughes, Isler, Kessinger, Kidd, King, Lewis, Lindsay, McBrayer, McBride, McCann, May, Mershon, Miller, Mitchell, Osborne, Paxton, Prather, Priddy, Ray, Siemens, Swinford, Tobin, Van Horn, G. White, Wible, Wyatt, Yocom.

The Committee Amendment to **SB 227** was adopted.

On the roll call the vote was yeas 85—Allen, Arnett, Baker, Bartley, Blandford, Bleemel, Blume, Archie Brown, Edward G. Brown, Hershel Brown, Bruce, Carroll, Carter, Chapman, Clarke, Collins, Conn, James A. Davis, Walter Davis, DeMarcus, Deskins, Donnermeyer, Dorris, Durham, Floyd, Freeman, Graves, Haney, John O. Hardin, L. T. Hardin, Hinkle, Holloway, Huff, Hughes, Isler, Keene, Keith, Kenton, Kidd, King, Kleier, Knuckles, Louden, Lovins, McBrayer, McCann, McKinney, McNamara, Massey, May, Mershon, Miller, Murphy, Nett, Osborne, Parish, Paxton, Peak, Prather, Priddy, Rattliff, Ray, Reed, Russell Reynolds, T. P. Reynolds, W. J. Reynolds, Rickert, Roberts, Ruh, Salyers, Sharpe, Siemens, Simmons, Swinford, Tobin, Van Horn, Wells, West, Wheeler, Glenn White, John E. White, Wible, Wright, Wyatt, Yocom. Nays 5—Curlin, Kessinger, Lewis, Lindsay, McBride.

SB 227 as amended was passed and the title agreed to.

Representative E. G. Brown moved that the vote by which **SB 227** as amended was passed be reconsidered and said motion be postponed indefinitely. Agreed.

SB 312, with Committee Amendment attached thereto, taken from Orders of the Day and ordered read at length for the

third time. Representative McBrayer moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Blythe moved the adoption of the Committee Amendment to **SB 312.** Agreed.

On the roll call the vote was yeas 67—Allen, Baker, Blandford, Bleemel, Blume, Blythe, Archie Brown, Carroll, Carter, Chapman, Clarke, Conn, James A. Davis, Walter Davis, DeMarcus, Deskins, Durham, Freeman, Graves, Haney, L. T. Hardin, Head, Hinkle, Huff, Isler, Keene, Keith, Kenton, Kleier, Knuckles, Lewis, Lindsay, Louden, McBrayer, McCann, McKinney, McNamara, May, Mershon, Miller, Mitchell, Nett, Osborne, Parish, Paxton, Peak, Prather, Rattliff, Reed, T. P. Reynolds, W. J. Reynolds, Rickert, Roberts, Ruh, Salyers, Schmidt, Siemens, Simmons, Stuart, Swinford, Tobin, Van Horn, West, Wheeler, John E. White, Wible, Wyatt. Nays 5—H. Brown, Bruce, Floyd, Lovins, Wright.

SB 312 as amended was passed and the title agreed to.

Senate Message

Announcing passage of **HB 161, HB 299, HB 389, HB 601, HB 622** with Amendment, **HR 86** and **HB 92.**

Representative Prather moved that the Rules be suspended.

On the roll call the vote was yeas 23—Blume, Blythe, Conn, Curlin, Keene, Keith, Kenton, King, Kleier, McCann, Mershon, Mitchell, Paxton, Peak, Prather, Reed, Rickert, Ruh, Swinford, Wenz, John E. White, Wible, Wyatt. Nays 42—Alexander, Allen, Bartley, Bleemel, A. Brown, H. Brown, Bruce, Carter, Chapman, Collins, DeMarcus, Deskins, Durham, Floyd, Freeman, Graves, J. Hardin, L. Hardin, Head, Hinkle, Hughes, Knuckles, Lewis, Lovins, McBride, McKinney, McNamara, May, Miller, Osborne, Parish, Roberts, Salyers, Sharpe, Simmons, Tobin, Van Horn, Wells West, Wheeler, G. White, Wright.

The motion that the Rules be suspended was rejected.

Orders of the Day (Continued)

SB 77, with Committee Amendment attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative McBrayer moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Curlin moved the adoption of the Committee Amendment to **SB 77**. Agreed.

On the roll call the vote was yeas 71—Alexander, Allen, Baker, Bartley, Blandford, Bleemel, Blume, Archie Brown, Edward G. Brown, Hershel Brown, Carroll, Carter, Chapman, Clarke, Collins, Curlin, James A. Davis, Walter Davis, DeMarcus, Deskins, Durham, Graves, Haney, John O. Hardin, Hinkle, Holloway, Huff, Hughes, Isler, Keene, Keith, Kenton, Kessinger, King, Kleier, Knuckles, Lewis, Lindsay, Lovins, McBrayer McBride, McCann, McNamara, Massey, Mershon, Mitchell, Osborne, Parish, Paxton, Peak, Prather, Rattliff, Ray, Reed, Russell Reynolds, T. P. Reynolds, Rickert, Ruh, Salyers, Simmons, Swinford, Tobin, Van Horn, Wells, Wenz, West, Wheeler, John E. White, Wible, Wright, Wyatt. Nays 1—Sharpe.

SB 77 as amended was passed and the title agreed to.

SB 402 taken from Orders of the Day and ordered read at length for the third time. Representative McBrayer moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative McCann announced withdrawal of the floor amendment to **SB 402** for the following reason:

I am withdrawing the amendment at the request of the minority leader who has assured me that no student who would graduate this summer would be denied the right to graduate by reason of withdrawing the amendment. He had been assured by the Governor that the summer program would continue at least to that extent.

On the roll call the vote was yeas 58—Alexander, Allen, Arnett, Blandford, Bleemel, Blume, Archie Brown, Edward G. Brown, Hershel Brown, Bruce, Carter, Chapman, Clapp, Walter Davis, DeMarcus, Deskins, Donnermeyer, Floyd, Graves, Haney, John O.

Hardin, L. T. Hardin, Hinkle, Holloway, Isler, Keith, Kessinger, King, Lewis, Lindsay, Louden, McBride, McKinney, May, Mershon, Mitchell, Osborne, Paxton, Peak, Rattliff, Reed, Russell Reynolds, W. J. Reynolds, Rickert, Ruh, Sharpe, Simmons, Stuart, Swinford, Tobin, Van Horn, Wells, Wenz, West, Wheeler, Glenn White, John E. White, Wible, Nays 10—Clarke, Collins, J. Davis, Durham, Huff, Kidd, Lovins, McCann, Ray, Salyers.

SB 402 was passed and the title agreed to.

SB 289 taken from Orders of the Day and ordered read at length for the third time. Representative McBrayer moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Lindsay moved the adoption of the following Amendment to **SB 289:**

Amend printed copy of Senate Bill 289 on page 8, line 18, by: striking the date "1970" and inserting in lieu thereof the date *"1971"*

On the roll call the vote was yeas 7—Carter, Hinkle, Lewis, Lindsay, Parish, Van Horn, Wible. Nays 64—Alexander, Allen, Arnett, Baker, Bartley, Blandford, Bleemel, Blythe, A. Brown, E. G. Brown, H. Brown, Bruce, Chapman, Clapp, Clarke, Curlin, J. Davis, W. Davis, DeMarcus, Donnermeyer, Durham, Floyd, Graves, Haney, L. Hardin, Huff, Hughes, Isler, Keene, Keith, Kessinger, King, Kleier, Knuckles, Louden, Lovins, McBride, McCann, McKinney, Massey, Mershon, Mitchell, Murphy, Nett, Osborne, Paxton, Peak, Prather, Rattliff, R. Reynolds, T. Reynolds, Rickert, Salyers, Schmidt, Sharpe, Simmons, Stuart, Tobin, Wells, West, Wheeler, J. White, Wright, Wyatt.

The Amendment to **SB 289** was rejected.

On the roll call the vote was yeas 79—Alexander, Allen, Arnett, Baker, Bartley, Blandford, Bleemel, Blume, Blythe, Archie Brown, Edward G. Brown, Hershel Brown, Bruce, Carroll, Chapman, Clapp, Clarke, Collins, Curlin, James A. Davis, Walter Davis, DeMarcus, Donnermeyer, Durham, Floyd, Graves, Haney, John O. Hardin, L. T. Hardin, Head, Huff, Hughes, Isler, Keene, Keith, Kessinger, King, Kleier, Knuckles, Lewis, Louden, Lovins, McBrayer, McBride, McCann, McKinney, Mas-

sey, Mershon, Mitchell, Murphy, Nett, Osborne, Paxton, Peak, Prather, Priddy, Rattliff, Ray, Reed, Russell Reynolds, T. P. Reynolds, W. J. Reynolds, Rickert, Ruh, Salyers, Schmidt, Sharpe, Simmons, Stuart, Swinford, Tobin, Van Horn, Wells, West, Wheeler, Glenn White, John E. White, Wright, Wyatt. Nays 4—Carter, Lindsay, Parish, Wible.

SB 289 was passed and the title agreed to.

SB 404 taken from Orders of the Day and ordered read at length for the third time. Representative McBrayer moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

On the roll call the vote was yeas 74—Alexander, Allen, Baker, Bartley, Blandford, Bleemel, Blume, Blythe, Archie Brown, Edward G. Brown, Hershel Brown, Carroll, Carter, Chapman, Clapp, Collins, Curlin, James A. Davis, Walter Davis, DeMarcus, Deskins, Donnermeyer, Durham, Floyd, Haney, L. T. Hardin, Head, Hinkle, Holloway, Huff, Hughes, Isler, Keene, Keith, Kessinger, King, Kleier, Knuckles, Lewis, Lindsay, McCann, McKinney, McNamara, Massey, Mershon, Mitchell, Nett, Osborne, Parish, Peak, Prather, Priddy, Rattliff, Ray, Reed, Russell Reynolds, T. P. Reynolds, W. J. Reynolds, Rickert, Roberts, Salyers, Schmidt, Sharpe, Simmons, Stuart, Swinford, Tobin, Wells, West, Wheeler, Glenn White, John E. White, Wible, Wright. Nays 7—Graves, Lovins, McBrayer, McBride, Paxton, Van Horn, Wyatt.

SB 404 was passed and the title agreed to.

SR 63 taken from Orders of the Day and ordered read at length for the third time. Representative McBrayer moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Schmidt moved the adoption of the following Amendment to **SR 63:**

Amend printed copy of Senate Resolution 63 on page 2, line 18, by: adding after the word "public" the words *"and private"*

and on Page 3, line 1, after the word "public" the words *"and private"*.

Agreed.

On the roll call the vote was yeas 64—Alexander, Allen, Arnett, Bartley, Blandford, Bleemel, Blume, Edward G. Brown, Bruce, Carroll, Carter, Chapman, Clapp, Clarke, Curlin, Deskins, Donnermeyer, Graves, Haney, Head, Hinkle, Hughes, Isler, Keene, Keith, Kenton, Kessinger, King, Kleier, Lewis, Lindsay, McBrayer, McBride, McCann, McNamara, Massey, May, Mitchell, Murphy, Nett, Osborne, Parish, Paxton, Peak, Prather, Priddy, Rattliff, Ray, Reed, Russell Reynolds, T. P. Reynolds, W. J. Reynolds, Rickert, Roberts, Ruh, Salyers, Swinford, Tobin, Van Horn, Wells, John E. White, Wible, Wright, Wyatt. Nays 7—Collins, DeMarcus, Durham, Huff, McKinney, Sharpe, Simmons.

SR 63, as amended was passed and the title agreed to.

Representative McBrayer moved that the vote by which **SR 63** as amended was passed be reconsidered and said motion be postponed indefinitely. Agreed.

SB 224, with Committee Amendment attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative McBrayer moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Lewis moved the adoption of the Committee Amendment to **SB 224.** Agreed.

On the roll call the vote was yeas 72—Alexander, Allen, Arnett, Baker, Blandford, Bleemel, Archie Brown, Hershel Brown, Carter, Chapman, Clapp, Clarke, Collins, Curlin, James A. Davis, Walter Davis, DeMarcus, Deskins, Donnermeyer, Durham, Floyd, Graves, Haney, L. T. Hardin, Head, Hinkle, Holloway, Huff, Hughes, Isler, Keene, Keith, Kenton, Kessinger, Kidd, King, Kleier, Knuckles, Lewis, Lindsay, McBrayer, McBride, McCann, McNamara, Massey, Mitchell, Murphy, Osborne, Paxton, Peak, Prather, Priddy, Rattliff, Reed, Russell Reynolds, T. P. Reynolds, W. J. Reynolds, Rickert, Roberts, Salyers, Schmidt, Sharpe, Simmons, Stuart, Swinford, Tobin, West, Wheeler, John E. White, Wible, Wright, Wyatt. Nays 3—Bruce, Lovins, Van Horn.

SB 224 as amended was passed and the title agreed to.

Representative McBrayer moved that the vote by which **SB 224** as amended was passed be reconsidered and said motion be postponed indefinitely. Agreed.

Representative McBrayer moved that the House concur in the following Senate Amendment to **HB 514:**

Amend printed copy of House Bill 514 on page 13, line 6 by: deleting lines 6 through 28 of said page;

and on page 14 deleting lines 1 through 26 on said page;

and on page 15, line 1, by inserting *"or consolidation"* after the word "merger"; and deleting lines 5 thru 7 on said page 15;

and on line 8 by deleting the brackets around (2) and removing (3) on said line 8.

and on page 15, line 14 by:

deleting the following: "271.185, and"

Agreed.

On the roll call the vote was yeas 63—Alexander, Allen, Baker, Bartley, Blandford, Bleemel, Blythe, Archie Brown, Edward G. Brown, Carter, Chapman, Clarke, Collins, Curlin, Walter Davis, Deskins, Donnermeyer, Durham, Graves, L. T. Hardin, Head, Hinkle, Holloway, Huff, Hughes, Isler, Keene, Keith, Kenton, Kessinger, Kidd, King, Kleier, Knuckles, Lewis, Lindsay, Lovins, McBrayer, McCann, McKinney, Massey, Murphy, Parish, Paxton, Peak, Prather, Priddy, Reed, Russell Reynolds, T. P. Reynolds, Rickert, Ruh, Sharpe, Stuart, Swinford, Tobin, Wells, West, Wheeler, John E. White, Wible, Wright, Wyatt. Nays 4—Arnett, Bruce, Salyers, Van Horn.

HB 514 as amended was passed and the title agreed to.

Representative McBrayer moved that the vote by which **HB 514** as amended was passed be reconsidered and said motion be postponed indefinitely. Agreed.

Representative Deskins moved that consideration of **HR 136** be temporarily deferred. Agreed.

Report on Enrolled Bills

The Committee on Enrollment reported **HB 319, HB 159, HB 642, HB 543** and **HR 48** had been examined and found cor-

rectly enrolled. **HB 319, HB 159, HB 642, HB 543** and **HR 48** read at length, compared and signed in open session by the Speaker. Ordered delivered to the Senate.

HB 319, HB 159, HB 642, HB 543, and **HR 48** delivered to the Senate, signed by President. Ordered delivered to the Governor.

Orders of the Day (Continued)

Representative DeMarcus moved that the House concur in the following Senate Amendment to **HB 622:**

Amend printed copy of House Bill 622 below the last printed line, by adding the following:

"Section 2. KRS 360.010 is amended to read as follows:

(1) *Except where a higher rate of interest is specifically provided, the legal rate of interest is 6% per annum. Parties may agree, in writing, for the payment of interest not exceeding 7% per annum on money due or to become due upon any contract, except for the following:*

(a) *Parties may agree, in writing, for the payment of interest at a rate not exceeding 8-½% per annum on money due or to become due upon any note or contract, provided the borrower certifies that the proceeds of such note or contract will be used solely for the purchase of single unit family residential real estate or for the construction, reconstruction, repair or alteration of improvements upon such real estate.*

(b) *The rate of interest permitted by subparagraph (a) of this section shall be reduced to 7% per annum no later than July 1, 1972 unless the General Assembly shall otherwise provide, provided, however, that such reduction shall not apply to nor affect obligations in effect upon the date of such reduction in rate.*

(c) The provisions of subparagraph (a) of this section shall in no way affect retroactively existing contractual obligations, including but not limited to those providing for a variable rate of interest, in force at the effective date of section (2) of this Act.

[(1) Parties may agree, in writing, for the payment of interest not exceeding 7% per annum on money due or to become due upon any contract. In all other cases except where a higher rate of interest is specifically provided by law, the legal rate of interest is 6% per annum.]

(2) Any state or national bank may charge one dollar for any loan negotiated at the bank in this state, even if the legal interest does not amount to that sum.

Section 3. KRS 360.020 is amended to read as follows:

(1) The taking, receiving, reserving, or charging a rate of interest greater than is allowed by the preceding section of this Act, when knowingly done, shall be deemed a forfeiture of the entire interest which the note, bill or other evidence of debt carries with it, or which has been agreed to be paid thereon. In case the greater rate of interest has been paid, the person by whom it has been paid, or his legal representatives, may recover, in an action in the nature of an action of debt, twice the amount of the interest thus paid from the creditor's taking or receiving the same including a reasonable attorney's fee as determined by the court: Provided that such action is commenced within two years from the time the usurious transaction occurred.

[(1) All contracts and assurances for the loan or forbearance of more than three hundred dollars in money or other thing of value at more than the legal rate of interest, are void as to the excess over legal interest. The principal, with legal but not the excess of interest, and such excess of interest, if already paid, may be recovered from the lender or forbearer, even though payment was made to an assignee; but if the lender or forbearer refuses, before suit is brought, a tender of the principal with legal interest, he shall pay the costs of any suit brought on the contract or assurance. A court having jurisdiction may grant equitable relief for any such excess of interest, and to that end may compel the necessary discovery from the lender or forbearer.]

(2) Partial payment on a debt bearing interest shall be first applied to the interest then due.

[(3) Subsections (1) and (2) do not apply to loans made under Chapter 288.]

"Section 4. Nothing herein contained shall be construed to amend, repeal, or abrogate any other law of this state pertaining to any particular types of transactions for which exemptions, pleading of defenses is denied or the maximum rate of interest is specifically prescribed or provided."

Section 5. KRS 360.990 is amended to read as follows:

(1) Except for credit transactions subject to the provisions of KRS 360.025, any creditor who wilfully and knowingly takes, receives, reserves, or charges a rate of interest greater than is allowed by the provisions of KRS 360.010 shall be guilty of a misdemeanor and, upon conviction, shall be fined not more than $1,000 or imprisoned for not more than one year, or both.

(2) Any person who violates any of the provisions of KRS 360.060 shall be fined not less than ten dollars nor more than fifty dollars for each offense.

Section 6. It is hereby found and declared that an emergency exists and that this Act become effective upon its passage and approval by the Governor.

And Amend printed copy of House Bill 622 on page 1, by: changing the title to read "AN ACT relating to financial disclosure, interest and usury."

On the roll call the vote was yeas 49—Alexander, Allen, Arnett, Blandford, Bleemel, Blythe, Edward G. Brown, Carter, Chapman, Clapp, Curlin, Donnermeyer, Head, Hinkle, Holloway, Huff, Hughes, Isler, Keene, Keith, Kenton, Kessinger, King, Knuckles, Lewis, Lindsay, Louden, Lovins, McCann, Massey, May, Mershon, Mitchell, Murphy, Osborne, Prather, Russell Reynolds, Rickert, Ruh, Salyers, Simmons, Stuart, Tobin, Wells, West, Wheeler, Glenn White, Wible, Wright. Nays 7—Bruce, Clarke, Graves, J. Hardin, Parish, Reed, Van Horn.

The House concurred in the Senate Amendment to **HB 622.**

On the roll call the vote was yeas 66—Alexander, Allen, Arnett, Baker, Blandford, Bleemel, Blythe, Archie Brown, Edward G. Brown, Hershel Brown, Carroll, Carter, Chapman, Clapp, Collins, Curlin, Walter Davis, Donnermeyer, Durham, Floyd, Freeman, Haney, L. T. Hardin, Head, Hinkle, Holloway, Huff, Hughes, Isler, Keene, Keith, Kenton, Kessinger, Kidd, King,

Kleier, Knuckles, Lewis, Lindsay, Louden, Lovins, McBrayer, McCann, Massey, Mershon, Mitchell, Murphy, Osborne, Peak, Prather, Priddy, Rattliff, Russell Reynolds, T. P. Reynolds, Ruh, Salyers, Simmons, Stuart, Tobin, Wells, West, Wheeler, Glenn White, Wible, Wright, Wyatt. Nays 9—Bartley, Clarke, May, Parish, Ray, Reed, Rickert, Roberts, Van Horn.

HB 622 as amended was passed and the title agreed to.

Representative McBrayer moved that the vote by which **HB 622** as amended was passed be reconsidered and said motion be postponed indefinitely. Agreed.

Representative J. Hardin filed an amendment to **SB 404.**

Recess

Representative McBrayer moved that the House recess until 8:00 p.m. Agreed.

At the appointed hour, the Speaker resumed the Chair and called the House to order.

Representative Alexander announced he wished to vote "yea" on **SB 227.**

Representative Holloway announced he wished to vote "yea" on **SB 289.**

Representative Rickert announced he wished to vote "nay" on **SB 404.**

Representative Bartley announced he wished to vote "nay" on **SR 63.**

Representative J. Hardin announced he wished to vote "nay" on **HB 404.**

Representative Lewis announced he wished to change his vote from "nay" to "yea" on **HB 442.**

Representative J. Hardin announced he wished to vote "nay" on **HB 622.**

Representative Bruce announced he wished to vote "nay" on **HB 622.**

Representative Conn announced he wished to vote "yea" on **HB 622.**

Senate Message

Announcing passage of **HB 129** with Senate Committee Substitute, **HB 187** with Amendment, **HB 142** with Amendment, **HB 737** with Amendment, **HB 388** with Amendment, **HB 285, HB 497, HB 638, HB 500, HB 323, HB 678** and **HB 609.**

Orders of the Day (Continued)

SB 406 taken from Orders of the Day and ordered read at length for the third time. Representative McBrayer moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Curlin moved the adoption of the following Amendment to **SB 406:**

Amend printed copy of Senate Bill 406 on page 1, lines 10 and 11 by: inserting after the word *"Highways"* on line 10 the word *"and"* and by striking the words *"and Commissioner of Mental Health"*

Agreed.

On the roll call the vote was yeas 48—Allen, Baker, Blandford, Bleemel, Blume, Edward G. Brown, Carroll, Clarke, Conn, Curlin, James A. Davis, Walter Davis, DeMarcus, Durham, Graves, Haney, Head, Holloway, Keene, Kenton, Knuckles, Lewis, McBrayer, McCann, McKinney, May, Mershon, Mitchell, Osborne, Paxton, Peak, Pollitte, Prather, Priddy, Rattliff, Ray, Russell Reynolds, Rickert, Ruh, Schmidt, Simmons, Stuart, Swinford, Tobin, Wenz, Wheeler, Glenn White, Wyatt. Nays 30—Alexander, Arnett, A. Brown, H. Brown, Carter, Clapp, Collins, Deskins, Floyd, L. Hardin, Hinkle, Huff, Hughes, Isler, Keith, Kessinger, King, Lindsay, Lovins, McBride, Nett, Parish, Reed, Salyers, Siemens, Van Horn, Wells, Wible, Wright, Yocom.

SB 406 as amended was passed and the title agreed to.

Representative McBrayer moved that the vote by which **SB 406** as amended was passed be reconsidered and said motion be postponed indefinitely. Agreed.

Representative McBrayer moved that the House concur in the following Senate Amendment to **HB 187:**

Amend printed copy of House Bill 187 on page 12, line 10, by: adding after the end of line 10 the following:

"Section 2. A new section of Chapter 148 of the Kentucky Revised Statutes is created to read as follows:

As used in Section 2 through 6 of this Act, the following terms have the following meanings:

(1) "Cropland harvested". This category refers to all land from which any crops are harvested, whether for home use or for sale. It includes land from which hay (including wild hay) is cut and land in berries and other small fruits, orchards, vineyards, nurseries, and greenhouses. Natured crops hogged off or grazed are considered to have been "crops harvested". Land from which two or more crops are harvested is to be counted only once in the land-use classification. Land used for other purposes either before or after the crops are harvested is cropland harvested, without regard to other uses.

(2) "Cropland used only for pasture." This land-use classification includes rotation pasture and all other land used only for pasture or grazing that the operator can use for crops without additional improvement. Included is land planted to crops that were hogged off, pastured, or grazed before maturity but excluded is land pastured before or after hay or other crops were harvested from it.

(3) "Other cropland." This class includes idle cropland, land in crops intended for harvest in the future, and cropland not harvested for any reason.

(4) "Pastured land." This classification includes all land, including woodland, where livestock are pastured or grazed.

(5) "Woodland not pastured." This classification refers to all woodland not used for pasture or grazing including land in an operated farm that is placed in the Soil Bank and planted to trees.

Section 3. A new section of Chapter 148 of the Kentucky Revised Statutes is created to read as follows;

(1) For the purpose of protecting conservation, recreation, scenic, natural, or historic areas of the state, the fiscal court of a county, or the governing body of any city in the Commonwealth may acquire by purchase, condemnation, transfer, gift, or otherwise, easements on such areas which, in the view of the fiscal court or city, will enhance the protection of scenic, natural, recreational, or historic areas of the state. Cities and counties may acquire such areas by condemnation only if such areas lie within their boundaries.

(2) Such areas may include, but are not limited to, land adjacent to existing parks, scenic areas along highways, streams, and rivers, lakes and adjacent to lakes, places of particular natural or scenic interest, areas for picnics, camping or other recreational purposes, areas of forest or woodland, areas containing interesting geologic features, areas in need of conservation management, or historic areas or sites.

(3) The governing body of the city, or the fiscal court shall determine the amount of land to be included in the easements and the uses which may be permitted on land subject to such easements. The governing body of the municipality or fiscal court, when necessary shall issue regulations for the use of such land or water areas.

(4) Areas which are the subject of conservation or recreation easements may be used for park purposes only if the governing body of the municipality or fiscal court determines that this is in the best interest of the city or county.

(5) The governing body of the municipality or fiscal court may enter into cooperative arrangements for management or operation of any conservation or recreation easement area with any other governmental agency pursuant to the provisions of the Interlocal Cooperation Act.

Section 4. A new section of Chapter 148 of the Kentucky Revised Statutes is created to read as follows:

(1) All condemnations permitted by Section 2 through 6 of this Act shall be made in the name of the county or municipality. The procedures used for condemnation of highways in KRS 177.081 to 177.089 shall govern all condemnation proceedings under this Act.

(2) Easements on land used as cropland or pasture, as defined herein, may not be acquired by condemnation but may be acquired by transfer, purchase, or gift.

(3) Land defined as "woodland not pastured" may be acquired by any means provided in Section 2 through 6 of this Act.

Section 5. A new section of Chapter 148 of the Kentucky Revised Statutes is created to read as follows:

All documents or programs for obtaining easements shall be drawn in such a way that they will, if possible, be eligible for federal matching funding under 16 U.S.C. 460d, 16 U.S.C. 460k, or 16 U.S.C. 4601, or under other sections of the Land and Water Conservation Fund Act of 1965, as amended.

Section 6. A new section of Chapter 148 of the Kentucky Revised Statutes is created to read as follows:

Sections 2 through 6 of this Act shall apply only to counties containing 300,000 or more population, and cities contained therein."

The House refused to concur in the Senate Amendment to **HB 187.**

Representative McBrayer moved that the House concur in the following Senate Amendment to **HB 388:**

Amend printed copy of House Bill 388 on page 1 by striking lines 3 through line 11 inclusive, and inserting

"(1) In any trial under this section, guilt or innocence and punishment on the principal charge shall be determined by the jury separately as if no charge were pending under this section. The court shall take measures adequate to insure that the jury is not informed of the charge hereunder until after verdict has been rendered on the principal charge. If the principal charge results in a felony conviction, the question of increased punishment under this section shall be forthwith submitted to the same jury under appropriate evidence and instructions. Nothing herein shall limit the authority of the court to fix punishment under this section upon a plea of guilty."

Agreed.

On the roll call the vote was yeas 76–Alexander, Allen, Baker, Blandford, Bleemel, Blythe, Archie Brown, Edward G. Brown, Hershel Brown, Carroll, Chapman, Clarke, Conn, Curlin, James A. Davis, Walter Davis, DeMarcus, Deskins, Donnermeyer, Durham, Graves, Haney, L. T. Hardin, Head, Holloway, Huff, Hughes, Isler, Keene, Keith, Kenton, Kessinger, Kidd, King, Kleier, Knuckles, Lewis, Lindsay, Louden, McBrayer, McCann, McKinney, May, Mershon, Miller, Mitchell, Nett, Osborne, Parish, Paxton, Peak, Prather, Priddy, Rattliff, Ray, Russell Reynolds, T. P. Reynolds, Rickert, Ruh, Schmidt, Siemens, Simmons, Stuart, Swinford, Tobin, Van Horn, Wells, Wenz, West, Wheeler, Glenn White, John E. White, Wible, Wright, Wyatt, Yocom. Nays 2–Arnett, Reed.

HB 388 as amended was passed and the title agreed to.

Representative McBrayer moved that the vote by which **HB 388** as amended was passed be reconsidered and said motion be postponed indefinitely. Agreed.

Report on Enrolled Bills

The Committee on Enrollment reported **HB 389, HB 161, HB 92, HB 299, HB 601, HR 86, HB 514, HB 622** had been examined and found correctly enrolled. **HB 389, HB 161, HB 92, HB 299, HB 601, HR 86, HB 514** and **HB 622** read at length, compared and signed in open session by the Speaker. Ordered delivered to the Senate.

HB 389, HB 161, HB 92, HB 299, HB 601, HR 86, HB 514, and **HB 622** delivered to the Senate, signed by President. Ordered delivered to the Governor.

HR 133, by Representative Huff: A RESOLUTION commending and congratulating Coach Raymond Reed, Principal Clark Chestnut and the basketball team of Hazel Green High.

WHEREAS, this year's team is the last in a long and illustrious line of outstanding basketball teams because of consolidation; and

WHEREAS, this team in keeping with the school's tradition made its way to that select circle of the "Sweet Sixteen"; and

WHEREAS, the efforts of the metropolitan press to the contrary notwithstanding, Hazel Green is located in that Eden of Paradise, Laurel County, not Wolfe County; and

WHEREAS, in the first round of the greatest basketball show on earth, the Bullfrogs did not "croak", but jumped to victory;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

Section 1. That Coach Reed, Principal Chestnut and the Hazel Green Bullfrog basketball team be congratulated not only on their outstanding performance this year but for all of the outstanding achievements of the school and its personnel throughout its history.

Section 2. That copies of this resolution be sent to Coach Reed, Principal Clark Chestnut and the basketball team.

Representative Huff moved the adoption of **HR 133**.

On the roll call the vote was yeas 92–Alexander, Allen, Arnett, Baker, Bartley, Blandford, Bleemel, Blume, Blythe, Archie Brown, Edward G. Brown, Hershel Brown, Carroll, Carter, Chapman, Clapp, Clarke, Collins, Conn, Curlin, James A. Davis, Walter Davis, DeMarcus, Deskins, Donnermeyer, Durham, Floyd, Freeman, Graves, Haney, L. T. Hardin, Head, Hinkle, Holloway, Huff, Hughes, Isler, Keene, Keith, Kenton, Kessinger, Kidd, King, Kleier, Knuckles, Lewis, Lindsay, Louden, Lovins, McCann, McKinney, McNamara, Massey, May, Mershon, Mitchell, Murphy, Nett, Osborne, Parish, Paxton, Peak, Pollitte, Prather, Priddy, Rattliff, Ray, Reed, Russell Reynolds, T. P. Reynolds, Rickert, Roberts, Ruh, Salyers, Schmidt, Sharpe, Siemens, Simmons, Stuart, Swinford, Tobin, Van Horn, Wells, Wenz, West, Wheeler, Glenn White, John E. White, Wible, Wright, Wyatt, Yocom. Nays 0.

HR 133 was adopted.

Recess

Representative Murphy moved that the House recess until 10:00 p.m. Agreed.

At the appointed hour, the Speaker resumed the Chair and called the House to order.

Senate Message

Announcing passage of **HB 576** with Senate Committee Substitute.

Orders of the Day (Continued)

Representative McBrayer moved that the House concur in the following Senate Amendment to **HB 142:**

Amend printed copy of House Bill 142 on page 1 by:

inserting following the words "stating that *the teacher*" the words *"or a member of his immediate family"*

and on page 2 by placing brackets around all words contained in subsection (4)

Agreed.

On the roll call the vote was yeas 70—Alexander, Allen, Arnett, Baker, Bartley, Blandford, Archie Brown, Edward G. Brown, Hershel, Brown, Carroll, Clapp, Clarke, Collins, Conn, James A. Davis, Walter Davis, DeMarcus, Deskins, Donnermeyer, Floyd, Graves, Haney, John O. Hardin, L. T. Hardin, Head, Hinkle, Holloway, Huff, Isler, Keith, Kenton, Kessinger, Kidd, King, Kleier, Knuckles, Lewis, Louden, Lovins, McBrayer, McBride, McCann, McKinney, McNamara, Massey, May, Mershon, Nett, Parish, Peak, Prather, Priddy, Rattliff, Ray, Reed, T. P. Reynolds, Rickert, Ruh, Salyers, Sharpe, Simmons, Stuart, Swinford, Tobin, Van Horn, Wells, West, Wheeler, John E. White, Wright, Wyatt. Nays 0.

HB 142 as amended was passed and the title agreed to.

Representative McBrayer moved that the vote by which

HB 142 as amended was passed be reconsidered and said motion be postponed indefinitely. Agreed.

Representative McBrayer moved that the House concur in the following Senate Committee Substitute for **HB 129:**

Senate Committee Substitute for HB 129, AN ACT relating to fees and costs in police courts.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. Section 26.430 of the Kentucky Revised Statutes is amended to read as follows:

(1) No fees, except fees for recording bonds as provided by KRS 26.560, shall be received by any officer of the police court in cities of the first class, and no costs shall be taxed against any person tried by the court.

(2) The police court in cities of the second class may assess, in addition to fine or imprisonment, any sum in its discretion, not exceeding *ten* [three] dollars, as costs against any defendant convicted in the court, and may enforce its payment by imprisonment in the jail or workhouse, as in the case of fines. **No** judgment for costs shall be rendered in favor of the city for a greater amount than the fine, unless the police judge is of the opinion that a judgment for full costs should be rendered, and so certifies on the record. *Amounts collected as costs shall be used to help defray the expense of salaries of the judge and other police court personnel, of necessary supplies, of janitorial and other necessary services, and for other appropriate purposes connected with the operation and maintenance of police court.*

(3) In prosecutions in and appeals from the police court in cities of the third class, the city shall not be liable for costs unless they are collected in money and paid into the city treasury. The judge shall tax as costs for his services the same fees allowed to justices in penal cases.

(4) Fees and costs shall be taxed in the police court in cities of the fourth class to the same extent and in the same way as in courts having similar jurisdiction, except that in trials under city ordinances, the judge's costs shall be taxed as follows: If a jury is used, two dollars, and if a jury is not used, one dollar.

Section 2. Section 439.080 of the Kentucky Revised Statutes is repealed.

Agreed.

On the roll call the vote was yeas 53—Alexander, Allen, Baker, Bartley, Blandford, Archie Brown, Edward G. Brown, Clarke, Collins, Conn, Curlin, Walter Davis, Deskins, Donnermeyer, Floyd, Graves, Haney, L. T. Hardin, Head, Hinkle, Holloway, Isler, Keene, Keith, Kessinger, Kidd, King, Kleier, Knuckles, Lewis, McBrayer, McCann, McNamara, May, Mershon, Nett, Peak, Prather, Priddy, Rattliff, T. P. Reynolds, W. J. Reynolds, Rickert, Ruh, Salyers, Sharpe, Simmons, Tobin, Wells, Wenz, John E. White, Wright, Wyatt. Nays 10—Arnett, H. Brown, J. Davis, Kenton, Lovins, Reed, Swinford, Van Horn, West, Wheeler.

HB 129, by way of Senate Committee Substitute, was passed and the title agreed to.

Representative McBrayer moved that the vote by which **HB 129,** by way of Senate Committee Substitute, was passed be reconsidered and said motion be postponed indefinitely. Agreed.

Representative McBrayer moved that the Rules be suspended for report of Committees. Agreed.

Report of Committees

The Committee on Rules reported **SB 359, SB 371, SB 378** and **SR 83** have been reported for passage in Orders of the Day, March 20, 1970.

Senate Message

Announcing passage of **HB 50, HB 693, HB 457, HB 544, HB 252** and **HB 145.**

A message in regard to **HB 187** was received stating that the Senate has refused to recede from the Senate Amendment to **HB 187** and again respectfully requests the House to concur in the Senate Amendment.

Orders of the Day (Continued)

SB 359 taken from Orders of the Day and ordered read at length for the third time. Representative McBrayer moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative McBride moved the adoption of the following Amendment No. 1 to **SB 359:**

Amend printed copy of Senate Bill 359 on page 6, line 17, by: adding the following "If current revenue is not sufficient to retire the proposed indebtedness, taxes shall be raised a sufficient amount to retire said indebtedness."

On the roll call the vote was yeas 12—Carroll, Clarke, Donnermeyer, Freeman, Graves, Head, Kleier, McBrayer, McBride, Peak, Glenn White, Wyatt. Nays 59—Alexander, Allen, Arnett, Baker, Bartley, Blandford, Bleemel, A. Brown, H. Brown, Clapp, Collins, J. Davis, W. Davis, DeMarcus, Durham, Floyd, Haney, L. Hardin, Holloway, Huff, Isler, Keith, Kenton, Kessinger, King, Knuckles, Lewis, Lindsay, Louden, Lovins, McKinney, Massey, Mitchell, Nett, Osborne, Paxton, Prather, Priddy, Rattliff, Ray, Reed, R. Reynolds, Rickert, Ruh, Salyers, Schmidt, Sharpe, Siemens, Simmons, Stuart, Swinford, Tobin, Van Horn, West, Wheeler, J. White, Wible, Wright, Yocom.

The Amendment No. 1 to **SB 359** was rejected.

Representative McBride moved the adoption of the following Amendment No. 2 to **SB 359:**

Amend printed copy of Senate Bill 359 on page 4, lines 12 and 13 by: deleting the words "upon all retail sales"

On the roll call the vote was yeas 26—Carroll, Clarke, Curlin, Donnermeyer, Freeman, Graves, Head, Hinkle, Kleier, Lindsay, Lovins, McBrayer, McBride, McNamara, Nett, Paxton, Peak, Prather, Priddy, Ray, Rickert, Swinford, Van Horn, Wenz, Glenn White, Wyatt. Nays 50—Alexander, Allen, Arnett, Baker, Bartley, Blandford, Bleemel, A. Brown, H. Brown, Chapman, Clapp, Collins, J. Davis, W. Davis, DeMarcus, Deskins, Durham, Floyd, Haney, L. Hardin, Huff, Hughes, Isler, Keith, Kenton, Kessinger, King, Knuckles, Lewis, Louden, McKinney, Massey, Mitchell, Osborne, Rattliff, Reed, R. Reynolds, Ruh, Salyers, Schmidt,

Sharpe, Siemens, Simmons, Stuart, Tobin, Wheeler, J. White, Wible, Wright, Yocom.

The Amendment No. 2 to **SB 359** was rejected.

On the roll call the vote was yeas 67—Alexander, Arnett, Baker, Bartley, Blandford, Bleemel, Blume, Blythe, Archie Brown, Hershel Brown, Chapman, Clapp, Collins, Conn, James A. Davis, Walter Davis, DeMarcus, Deskins, Donnermeyer, Durham, Floyd, Freeman, Haney, L. T. Hardin, Holloway, Huff, Hughes, Isler, Keith, Kenton, Kessinger, King, Kleier, Knuckles, Lewis, Louden, McKinney, Massey, May, Mershon, Murphy, Nett, Osborne, Paxton, Peak, Pollitte, Priddy, Rattliff, Ray, Reed, Russell Reynolds, Roberts, Ruh, Salyers, Schmidt, Sharpe, Simmons, Stuart, Swinford, Tobin, West, Wheeler, John E. White, Wible, Wright, Wyatt, Yocom. Nays 20—Allen, Clarke, Curlin, Graves, J. Hardin, Head, Hinkle, Lovins, McBrayer, McBride, McCann, McNamara, Parish, Prather, T. Reynolds, W. J. Reynolds, Rickert, Siemens, Van Horn, G. White.

SB 359 was passed and the title agreed to.

Representative McBrayer moved that the vote by which **SB 359** was passed be reconsidered and said motion be postponed indefinitely. Agreed.

Representatives Wible and Paxton announced that they wished to vote "yea" on **HB 142** and **HB 129.**

Since the Senate has twice refused to recede from the Senate Amendment to **HB 187,** the Speaker appointed the following three members from the House to serve on a Conference Committee with a like Committee from the Senate: Representatives Swinford, Yocom and Holloway.

Representative McBrayer moved that the House concur in the Senate Committee Substitute as amended for **HB 737.**

Senate Committee Substitute for HB 737, AN ACT relating to business and consumer protection.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. A new section of Chapter 367 of the Kentucky Revised Statutes is created to read as follows:

This Act may be cited as the Business and Consumer Protection Act.

Section 2. A new section of Chapter 367 of the Kentucky Revised Statutes is created to read as follows:

The purpose of this Act shall be to protect business and consumers from misrepresentation and deceptive practices in the conduct of any trade or commerce in part or wholly within this Commonwealth.

Section 3. A new section of Chapter 367 of the Kentucky Revised Statutes is created to read as follows:

As used in this Act, unless the context otherwise requires:

(1) "Advertisement" means the attempt by publication, dissemination, solicitation or circulation to induce, directly or indirectly, any person to enter into any obligation, or acquire any title or interest in any merchandise or service;

(2) "Merchandise" includes any objects, wares, goods, commodities, intangibles, real estate, or anything offered, directly or indirectly, to the public for sale;

(3) "Service" means any maintenance, repair, advice, counsel, or treatment by any person in the conduct of any occupation;

(4) "Person" means any domestic or foreign individual, corporation, business, estate, trust, partnership, unincorporated association, or any other legal or commercial entity;

(5) "Sale" means any sale, rental or distribution, offer for sale, rental or distribution, or attempt directly or indirectly to sell, rent or distribute any merchandise or service for cash or on credit.

Section 4. A new section of Chapter 367 of the Kentucky Revised Statutes is created to read as follows:

(1) The act, use or employment by any person of any deception, fraud, false pretense, or misrepresentation, in connection with the sale or advertisement of any merchandise or service, is an unlawful practice.

(2) Section 4(1) of this Act shall not apply to:

(a) the owner or publisher of newspapers, magazines or publications wherein such advertising appears, or to the owner or operator of a radio or television station which disseminates such advertisement when the owner, publisher or operator has no knowledge that such advertisement may be in violation of Section 4(1) of this Act; or

(b) any specific advertising approved by a duly-constituted Federal Regulatory Agency as to matters covered by this Act.

Section 5. A new section of Chapter 367 of the Kentucky Revised Statutes is created to read as follows:

(1) This Act shall not be construed to impair or limit the functioning of other agencies of this Commonwealth with jurisdiction over matters covered by this Act.

(2) The Attorney General shall cooperate with any governmental agency of the Commonwealth which has statewide jurisdiction over a subject matter covered by this Act to avoid duplication of investigation or remedial action.

Section 6. A new section of Chapter 367 of the Kentucky Revised Statutes is created to read as follows:

(1) Whenever the Attorney General has reason to believe that a person has engaged in, or is engaging in, any practice declared by this Act to be unlawful, and when he believes it to be in the public interest, he may conduct an investigation to ascertain whether a person in fact has engaged in, or is engaging in, any practice declared by this Act to be unlawful.

(2) To accomplish the purposes of Section 6(1) of the Act, the Attorney General shall first seek voluntary cooperation of persons. If the Attorney General has probable cause to believe that a violation has occurred, he may thereafter apply to a circuit court having jurisdiction for permission to issue subpoenas duces tecum and/or ad testificandum to any person, administer an oath or affirmation to any person, require any such person to file, on such forms as the Attorney General prescribes, a statement or a report in writing under oath or otherwise as to the facts and circumstances concerning the transaction or transactions in question, and such other data and information as he may deem necessary, or conduct hearings in aid of any investi-

gation or inquiry. Such motion shall state in writing the grounds which the Attorney General believes constitute probable cause. Upon refusal by any person to comply with a subpoena as set out in this Act, provide an oath or affirmation, or cooperate in hearings in aid of any investigation or inquiry, a circuit court in the Commonwealth of Kentucky shall issue an appropriate order of contempt, upon application of the Attorney General.

(3) Whenever the Attorney General has probable cause to believe that a person has engaged in, or is engaging in, any practice declared by this Act to be unlawful and whenever the Attorney General has probable cause to believe that information will not be obtainable pursuant to Section 6(2) during the course of any investigation, he may apply to a circuit court ex parte for an order impounding any record, book, document, account, paper or sample of merchandise, material to such practice under investigation. Such motion shall state in writing the grounds which the Attorney General believes constitute probable cause. The circuit court shall specify by order the length of time for copy or inspection.

Section 7. A new section of Chapter 367 of the Kentucky Revised Statutes is created to read as follows:

Any book, record, paper, memorandum or other documentary information produced by any person pursuant to Sections 1 through 16 of this Act, or any copy thereof, shall not, unless otherwise ordered by a court of this Commonwealth for good cause shown, be disclosed to any person other than the Attorney General or his authorized agent or representative or other governmental agency, unless the consent of the person producing the same is obtained, or such documentary information is filed as a matter of record in the circuit court having jurisdiction in the action.

Section 8. A new section of Chapter 367 of the Kentucky Revised Statutes is created to read as follows:

Any person may apply to a circuit court for an appropriate order to protect such person from any unreasonable investigative action taken pursuant to this Act.

Section 9. A new section of Chapter 367 of the Kentucky Revised Statutes is created to read as follows:

To the fullest extent permitted by the Constitution of the United States, service of a subpoena or demand pursuant to Section 6 of this Act may be had in the manner prescribed by the Kentucky Rules of Civil Procedure.

Section 10. A new section of Chapter 367 of the Kentucky Revised Statutes is created to read as follows:

(1) Any person with actual notice that an investigation has begun or is about to begin pursuant to Section 6 of this Act who intentionally conceals, alters, destroys, or falsifies documentary material is subject to a fine of not less than one hundred dollars nor more than five thousand dollars.

(2) Any person who in response to a subpoena or demand as provided in Section 6 of this Act who intentionally falsifies or withholds documents, records, or pertinent materials that are not privileged, is subject to a fine as provided in Section 10(1) of this Act.

Section 11. A new section of Chapter 367 of the Kentucky Revised Statutes is created to read as follows:

At any time prior to the institution of a suit against a person for violation of Section 4 of this Act, the Attorney General may accept an Affidavit of Discontinuance from any person who is alleged to have engaged in an activity declared by this Act to be unlawful, providing for the immediate discontinuance of all practices set forth in the Affidavit, and for such other action deemed necessary to correct the results of such practices. No proceeding shall be instituted thereafter by the Attorney General on the specific activities covered by such Affidavit, unless the provisions contained in the Affidavit appear to have been violated.

Section 12. A new section of Chapter 367 of the Kentucky Revised Statutes is created to read as follows:

(1) The Attorney General may enforce the provisions of Section 4 of this Act by civil action for injunctive relief in a circuit court of this Commonwealth. In such action to obtain said injunction it shall be sufficient to allege and prove that a violation of this Act has occurred, and it shall not be necessary to allege or prove that any person has been misled or deceived

thereby, or that any person has been damaged or has sustained loss as a result of any violation of this Act.

(2) Such an action may be brought in any county of this Commonwealth where the alleged unlawful practice has been partially or completely performed, or in that county in which the defendant has his principal place of business in this Commonwealth.

Section 13. A new section of Chapter 367 of the Kentucky Revised Statutes is created to read as follows:

Whenever it appears that the public interest will be served by doing so, the Attorney General may authorize a Commonwealth's attorney or county attorney to institute an investigation or an action pursuant to the provisions of this Act.

Section 14. A new section of Chapter 367 of the Kentucky Revised Statutes is created to read as follows:

In addition to the aforementioned injunctive relief, in actions filed pursuant to this Act, the circuit court may grant such other relief as it deems necessary, including, but not limited to, restitution to any person who has been injured by an unlawful practice if such person presents his claim to the court in a manner prescribed by the court. Nothing in this section shall be construed to limit a defendant's right to examine, impeach and rebut evidence presented against him.

Section 15. A new section of Chapter 367 of the Kentucky Revised Statutes is created to read as follows:

If a circuit court after appropriate notice and hearing shall make a finding that a person has violated the provisions of any injunction or order issued pursuant to this Act, the circuit court may assess such civil contempt penalty as it deems appropriate.

Section 16. A new section of Chapter 367 of the Kentucky Revised Statutes is created to read as follows:

Personal service of any process in an action under this Act may be made upon any person outside of the State if such person has engaged in conduct in violation of this Act in this State. Such persons shall be deemed to have thereby submitted themselves to the jurisdiction of the courts of this State within the meaning of this section.

Section 17. A new section of Chapter 367 of the Kentucky Revised Statutes is created to read as follows:

(1) The General Assembly finds that the public health, welfare and interest require a strong and effective consumer protection program to protect the public environment and the interests of both the consumer public and the ethical sellers of goods and services; toward this end, a permanent Citizens Commission on Consumer Protection is created to promote the coordination of various governmental agency services, together with private organizations, and for the purpose of aiding in the development of preventive and remedial consumer protection programs.

Section 18. A new section of Chapter 367 of the Kentucky Revised Statutes is created to read as follows:

(1) There is hereby created a Citizens Commission on Consumer Protection composed of the Attorney General, who shall serve as a non-voting, ex-officio member and twenty-one citizen members who shall be appointed by the Governor.

(2) The Governor shall appoint one citizen member from a list of three submitted by each of the following Kentucky organizations: League of Women Voters, Consumer Association of Kentucky, Business and Professional Women's Club, Kentucky Extension Homemakers Association, Kentucky Association of Older People, Kentucky Poor Person's Coalition, Better Business Bureau of Louisville, Rural Electric Cooperatives, Kentucky Retail Federation, Associated Industries of Kentucky, State Chamber of Commerce, National Farmers' Organization, the Farm Bureau, State AFL-CIO, United Mine Workers, United Automobile Workers, Kentucky Education Association, Louisville Legal Aid, University of Kentucky Law School, University of Louisville Law School and International Brotherhood of Teamsters.

(3) Each citizen member shall serve for a one year term and shall be eligible for reappointment if renominated by his organization. Vacancies shall be filled in the same manner as original appointments.

(4) Each citizen member shall be a resident of Kentucky who is not an employe or officer of the Commonwealth of Kentucky, except faculty and staff members of schools in Kentucky.

Section 19. A new section of Chapter 367 of the Kentucky Revised Statutes is created to read as follows:

(1) The Citizens Commission on Consumer Protection shall meet at least four times each year at such times and places as shall be designated by its chairman and shall hold such other meetings as shall be called by the chairman, or upon written request of the majority of the Commission. A majority of the Commission shall constitute a quorum. The members of the Citizens Commission Consumer Protection shall receive no compensation for their services, but shall receive their reasonable and necessary expenses in connection with the performance of their duties, to be paid out of sums appropriated to the Citizens Commission on Consumer Protection.

(2) The Commission shall elect its chairman, from its membership, who shall serve for one year.

Section 20. A new section of Chapter 367 of the Kentucky Revised Statutes is created to read as follows:

The Citizens Commission on Consumer Protection shall have the following functions, powers and duties:

(1) To promote the coordination of consumer protection activities of all departments, divisions and branches of state, county and city government, concerned with activities involving consumer interests;

(2) To assist, advise and cooperate with federal, state and local agencies and officials to protect and promote the interests of the consumer public; to advise the Governor, the Attorney General, and the Legislature in all matters concerning consumer affairs;

(3) To conduct investigations (except for purposes of prosecution), research, studies and analysis of matters affecting health, safety, the human environment, the market place and all other consumer affairs, and take appropriate action; to communicate the view of the consumer to state, county, and city agencies and officials;

(4) To study the operation of all laws, rules, regulations, orders, and state policies affecting consumers and to recommend

to the Governor and to the Legislature, new legislation, rules, regulations, orders, and policies in the consumer's interest;

(5) To organize and hold conferences on problems affecting consumers; to undertake activities to encourage business, industry, the professions, and others offering goods or services to maintain high standards of honesty, fair business practices, and public responsibility in the production, promotion and sale of consumer goods and services;

(6) To provide a central clearing house of information for all citizens of the Commonwealth by collecting and compiling consumer complaints and inquiries, and forwarding them to appropriate governmental agencies; it shall be the further responsibility of the Commission to maintain records indicating the final disposition by the agency of any matter so referred;

(7) To organize, promote and conduct consumer education programs within the Commonwealth; to cooperate with and establish necessary liaison with consumer organizations;

(8) (a) To appear before any federal, state or local governmental branch, commission, department, rate-making or regulatory body, or agency to represent and be heard on behalf of consumer's interests;

(b) To be made a real party in interest to any action on behalf of consumer interests involving a quasi-judicial or rate-making proceeding of any state or local governmental branch, commission, department, agency or rate-making body;

(9) To perform such other acts as may be incidental to the exercise of the functions, powers and duties set forth in this section, and the purposes of Sections 17 through 24 of this Act.

Section 21. A new section of Chapter 367 of the Kentucky Revised Statutes is created to read as follows:

(1) All departments, agencies, officers and employes of the Commonwealth shall fully cooperate with the Commission and its employes in carrying out its functions under this Act.

(2) Nothing in this Act shall be construed to permit the Commission to disclose those matters which by law are required to be kept confidential.

Section 22. A new section of Chapter 367 of the Kentucky Revised Statutes is created to read as follows:

(1) In order to effectuate and administer Sections 17 through 24 of this Act the Commission shall hire a full-time Director who shall be qualified by training and experience to perform the duties of his office and carry out the purposes of Sections 17 through 24 of this Act, and who shall hold office at the pleasure of the Commission. The salary of the Director shall be determined by the Commission. The Director shall, upon the advice and consent of the Commission, employ and fix the compensation of such personnel as may be necessary to effectuate the provisions of Sections 17 through 24 of this Act.

(2) The Director shall, upon the advice and consent of the Commission, provide for the allocation of the work and activities of all employes of the Commission.

(3) Permanent office space for the Citizens Commission on Consumer Protection and for the Director thereof and employees or subcommittees shall be provided on one of the main floors of the State Capitol Annex.

Section 23. A new section of Chapter 367 of the Kentucky Revised Statutes is created to read as follows:

(1) The Attorney General shall be charged with the enforcement of any and all laws affecting the consumer and the prosecution of all violations of law within his jurisdiction referred to him by the Commission. Whenever it appears that the public interest will be served by doing so, the Attorney General may authorize and direct a Commonwealth Attorney or County Attorney to institute action in his behalf in such matters.

(2) The Attorney General, the Commonwealth's Attorneys, and the county attorneys shall cooperate with the Commission and the general public in collecting consumer complaints and other information regarding consumer affairs, whether or not violations of present law, and shall forward such information at the direction of the Commission.

Section 24. The General Assembly intends and declares that the appropriations made by Subheading 12 of Heading 1 of Part One of the Committee Substitute for House Bill 18 of the

1970 Regular Session, page 7, lines 1 and 2, being $5,000 for each of the fiscal years 1970-71 and 1971-72, shall be used for the purposes of Sections 17 through 24 of this Act and for no other purposes.

Section 25. There is hereby appropriated from the General Expenditure Fund to the Department of Law and the Citizens Commission on Consumer Protection for the fiscal year 1970-71 the sum of $75,000, and for the fiscal year 1971-72 the sum of $90,000, which sums shall be divided equally between the expenses of the Citizens Commission on Consumer Protection and the consumer protection activities of the Department of Law. Any balance remaining at the close of any fiscal year shall not lapse, but shall continue into the next fiscal year.

Civil penalties, fines, and money judgments recovered by the Attorney General in litigation on behalf of the Commonwealth of Kentucky under the Federal Antitrust laws, where consistent with court order, shall be deposited in the State Treasury to the credit of the General Expenditure Fund, except that there shall be deposited to the credit of a Trust and Agency Fund to be available for the operation of the Department of Law and the Citizens Commission on Consumer Protection the following portions of such receipts: for the fiscal year 1969-70, the first $100,000 thereof, all of which shall be for the Department of Law; for the fiscal year 1970-71, the first $122,500 thereof to the Department of Law and the next $37,500 thereof shall be for the operating expenses of the Citizens Commission on Consumer Protection; for the fiscal year 1971-72, the first $115,000 thereof to the Department of Law and the next $45,000 thereof shall be for the Citizens Commission on Consumer Protection. Any balance remaining in this Trust and Agency Fund for the Department of Law or the Citizens Commission on Consumer Protection at the close of any fiscal year shall not lapse, but shall continue into the next fiscal year.

Section 26. This Act shall be Chapter 367 of the Kentucky Revised Statutes.

The Senate Amendment to the Senate Committee Substitute for **HB 737** is as follows:

Amend printed copy of Senate Committee Substitute for House Bill 737 by striking all words below the enacting clause and substituting therefor the following:

"Section 1. This Act shall be Chapter 367 of the Kentucky Revised Statutes.

Section 2. A new section of Chapter 367 of the Kentucky Revised Statutes is created to read as follows:

(1) The General Assembly finds that the public health, welfare and interest require a strong and effective consumer protection program to protect the public environment and the interests of both the consumer public and the ethical sellers of goods and services; toward this end, a permanent Citizens Commission on Consumer Protection is created to promote the coordination of various governmental agency services, together with private organizations, and for the purpose of aiding in the development of preventive and remedial consumer protection programs.

(2) This Act may be cited as the Consumer Protection Act.

Section 3. A new section of Chapter 367 of the Kentucky Revised Statutes is created to read as follows:

(1) There is hereby created a Citizens Commission on Consumer Protection composed of the Attorney General, and eight citizen members who shall be appointed by the Governor.

(2) The citizen members of the first Commission to be appointed by the Governor shall be appointed within sixty days after July 1, 1970. Of the members first appointed two shall serve until January 1, 1971, two shall serve until January 1, 1972, two shall serve until January 1, 1973, and two shall serve until January 1, 1974. The terms of the members first appointed shall be determined by lot. Thereafter, each term of citizen members shall run for four years from the date of expiration of the term for which his predecessor was appointed, except that a person appointed to fill a vacancy prior to the expiration of such a term shall be appointed for the remainder of the term. Each citizen member of the Commission shall hold office until his successor is appointed and qualifies. Vacancies in office of

citizen members shall be filled by the original appointing authority.

(3) As used in this Act, "citizen member" means any resident of Kentucky not an employe or officer of the Commonwealth, except faculty and staff members of schools in Kentucky.

(4) The citizen members of the Commission shall be persons who have demonstrated by their actions an awareness and interest in consumer protection.

Section 4. A new section of Chapter 367 of the Kentucky Revised Statutes is created to read as follows:

(1) The Citizens Commission on Consumer Protection shall meet at least four times each year at such times and places as shall be designated by its chairman and shall hold such other meetings as shall be called by the Chairman, or upon written request of the majority of the Commission. A majority of the Commission shall constitute a quorum. The members of the Citizens Commission on Consumer Protection shall receive no compensation for their services, but shall receive their reasonable and necessary expenses in connection with the performance of their duties, to be paid out of sums appropriated to the Citizens Commission on Consumer Protection.

(2) The Commission shall elect its chairman, from its membership, who shall serve for one year.

Section 5. A new section of Chapter 367 of the Kentucky Revised Statutes is created to read as follows:

The Citizens Commission on Consumer Protection shall have the following functions, powers and duties:

(1) To promote the coordination of consumer protection activities of all departments, divisions and branches of state, county and city government, concerned with activities involving consumer interests;

(2) To assist, advise and cooperate with federal, state and local agencies and officials to protect and promote the interests of the consumer public; to advise the Governor, the Attorney General, and the Legislature in all matters concerning consumer affairs;

(3) To conduct investigations (except for purposes of prosecution), research, studies and analysis of matters affecting health, safety, the human environment, the market place and all other consumer affairs, and take appropriate action; to communicate the view of the consumer to state, county, and city agencies and officials;

(4) To study the operation of all laws, rules, regulations, orders, and state policies affecting consumers and to recommend to the Governor and to the Legislature, new legislation, rules, regulations, orders, and policies in the consumer's interest;

(5) To organize and hold conferences on problems affecting consumers; to undertake activities to encourage business, industry, the professions, and others offering goods or services to maintain high standards of honesty, fair business practices, and public responsibility in the production, promotion and sale of consumer goods and services;

(6) To provide a central clearing house of information for all citizens of the Commonwealth by collecting and compiling consumer complaints and inquiries, and forwarding them to appropriate governmental agencies; it shall be the further responsibility of the Commission to maintain records indicating the final disposition by the agency of any matter so referred;

(7) To organize, promote and conduct consumer education programs within the Commonwealth; to cooperate with and establish necessary liaison with consumer organizations;

(8) (a) To appear before any federal, state or local governmental branch, commission, department, rate-making or regulatory body, or agency to represent and be heard on behalf of consumer's interests;

(b) To be made a real party in interest to any action on behalf of consumer interests involving a quasi-judicial or rate-making proceeding of any state or local governmental branch, commission, department, agency or rate-making body;

(9) To perform such other acts as may be incidental to the exercise of the functions, powers and duties set forth in this section, and the purposes of this Act. To prevent waste of public money or duplication of state services, excepting members of

the General Assembly, no other state officer, department, agency, or commission shall perform or attempt to perform similar functions, powers, or duties provided in this Act without the prior written consent of this Commission.

Section 6. A new section of Chapter 367 of the Kentucky Revised Statutes is created to read as follows:

(1) All departments, agencies, officers and employes of the Commonwealth shall fully cooperate with the Commission and its employes in carrying out its functions under this Act.

(2) Nothing in this Act shall be construed to permit the Commission to disclose those matters which by law are required to be kept confidential.

Section 7. A new section of Chapter 367 of the Kentucky Revised Statutes is created to read as follows:

(1) In order to effectuate and administer this Act the Commission shall hire a full-time Director who shall be qualified by training and experience to perform the duties of his office and carry out the purpose of this Act, and who shall hold office at the pleasure of the Commission. The salary of the Director shall be determined by the Commission. The Director shall, upon the advice and consent of the Commission, employ and fix the compensation of such personnel as may be necessary to effectuate the provisions of this Act.

(2) The Director shall, upon the advice and consent of the Commission, provide for the allocation of the work and activities of all employes of the Commission.

(3) Permanent office space for the Citizens Commission on Consumer Protection and for the Director thereof and employes or subcommittees shall be provided on one of the three main floors of the State Capitol or the State Capitol Annex.

Section 8. A new section of Chapter 367 of the Kentucky Revised Statutes is created to read as follows:

(1) The Attorney General shall be charged with the enforcement of any and all laws affecting the consumer and the prosecution of all violations of law within his jurisdiction referred to him by the Commission. Whenever it appears that

the public interest will be served by doing so, the Attorney General may authorize and direct a Commonwealth Attorney or County Attorney to institute action in his behalf in such matters.

(2) The Attorney General, the Commonwealth's Attorneys, and the county attorneys shall cooperate with the Commission and the general public in collecting consumer complaints and other information regarding consumer affairs, whether or not violations of present law, and shall forward such information at the direction of the commission.

Section 9. The General Assembly intends and declares that the appropriations made by Subheading 12 of Heading 1 of Part One of the Committee Substitute for House Bill 18 of the 1970 Regular Session, page 7, lines 1 and 2, being $5,000 for each of the fiscal years 1970-71 and 1971-72, shall be used for the purposes of this Act and for no other purpose.

Section 10. There is hereby appropriated from the General Expenditure Fund to the Citizens Commission on Consumer Protection for the fiscal year 1970-71 the sum of $75,000, and for the fiscal year 1971-72 the sum of $90,000 which sums shall not revert to the General Fund at the end of the fiscal years but shall be carried forward."

Representative W. J. Reynolds moved that the Senate Committee Substitute as amended to **HB 737** be laid on the table.

On the roll call the vote was yeas 26—Alexander, Allen, Arnett, Baker, Deskins, Freeman, Head, Hinkle, Hughes, Keith, Lindsay, Lovins, McNamara, Mitchell, Parish, Paxton, Pollitte, Rattliff, T. P. Reynolds, W. J. Reynolds, Salyers, Van Horn, Wells, Wenz, Glenn White, Wright. Nays 50—Blandford, Bleemel, Blume, Blythe, A. Brown, H. Brown, Chapman, Clarke, Curlin, J. Davis, W. Davis, DeMarcus, Donnermeyer, Durham, Graves, Haney, J. Hardin, Isler, Keene, Kenton, Kessinger, Kidd, King, Kleier, Knuckles, Lewis, McBrayer, McBride, McCann, McKinney, May, Mershon, Murphy, Osborne, Peak, Prather, Priddy, Reed, Rickert, Roberts, Ruh, Schmidt, Sharpe, Simmons, Stuart, West, Wheeler, J. White, Wible, Wyatt.

The motion that the Senate Committee Substitute as amended to **HB 737** be laid on the table was rejected.

On the roll call the vote was yeas 56–Bartley, Blandford, Bleemel, Blume, Blythe, Archie Brown, Hershel Brown, Chapman, Clarke, Collins, Conn, Curlin, James A. Davis, Walter Davis, DeMarcus, Donnermeyer, Durham, Graves, John O. Hardin, L. T. Hardin, Huff, Isler, Keene, Kenton, Kessinger, King, Knuckles, Lewis, Lindsay, McBrayer, McBride, McCann, McKinney, McNamara, May, Mershon, Murphy, Osborne, Peak, Prather, Priddy, Rattliff, Reed, Russell Reynolds, Rickert, Ruh, Schmidt, Sharpe, Simmons, Stuart, Tobin, West, Wheeler, John E. White, Wible, Wyatt. Nays 24–Alexander, Allen, Arnett, Baker, E. G. Brown, Freeman, Hinkle, Hughes, Keith, Kleier, Mitchell, Nett, Parish, Paxton, Pollitte, Ray, T. Reynolds, W. J. Reynolds, Roberts, Salyers, Van Horn, Wells, G. White, Wright.

The motion that the House concur in the Senate Committee Substitute as amended to **HB 737** was adopted.

On the roll call the vote was yeas 59–Bartley, Blandford, Bleemel, Blume, Blythe, Archie Brown, Hershel Brown, Carter, Chapman, Clapp, Clarke, Collins, Conn, Curlin, Walter Davis, DeMarcus, Donnermeyer, Durham, Graves, John O. Hardin, L. T. Hardin, Head, Huff, Isler, Keene, Kenton, Kessinger, King, Knuckles, Lewis, Lindsay, McBride, McCann, McKinney, May, Mershon, Murphy, Nett, Osborne, Peak, Prather, Priddy, Rattliff, Ray, Reed, Russell Reynolds, Rickert, Ruh, Schmidt, Sharpe, Simmons, Stuart, Tobin, West, Wheeler, John E. White, Wible, Wright, Wyatt. Nays 21–Alexander, Allen, Arnett, Baker, E. G. Brown, Freeman, Hinkle, Keith, Kleier, McNamara, Mitchell, Parish, Paxton, Pollitte, T. Reynolds, W. J. Reynolds, Roberts, Salyers, Van Horn, Wells, G. White.

HB 737 as amended was passed and the title agreed to.

Senate Message

Announcing passage of **HB 417** with Amendment, **HB 130** with Amendment, **HR 105, HB 577, HB 520, HB 41, HB 418, HB 384, HB 219** and **HB 623.**

Orders of the Day (Continued)

SB 43 taken from Orders of the Day and ordered read at length for the third time. Representative McBrayer moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

On the roll call the vote was yeas 52—Arnett, Baker, Bartley, Bleemel, Blume, Blythe, Archie Brown, Hershel Brown, Chapman, Clapp, Clarke, Collins, Conn, Curlin, James A. Davis, Walter Davis, DeMarcus, Donnermeyer, Durham, L. T. Hardin, Head, Huff, Isler, Keene, Kenton, Kessinger, Kidd, King, Knuckles, Lewis, Lindsay, McBrayer, McBride, McCann, Mershon, Mitchell, Murphy, Osborne, Paxton, Peak, Rattliff, Russell Reynolds, Rickert, Schmidt, Sharpe, Simmons, Stuart, Tobin, West, John E. White, Wible, Wyatt. Nays 31—Alexander, Allen, Blandford, E. G. Brown, Carter, Deskins, Freeman, Graves, Haney, J. Hardin, Hinkle, Hughes, Keith, Kleier, Louden, Lovins, McNamara, May, Nett, Parish, Pollitte, Ray, Reed, T. Reynolds, Ruh, Salyers, Van Horn, Wells, Wenz, G. White, Wright.

SB 43 was passed and the title agreed to.

SB 100, with Committee Amendment attached thereto, taken from Orders of the Day and ordered read at length for the third time. Representative McBrayer moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative J. Hardin moved the adoption of the Committee Amendment to **SB 100.** Agreed.

On the roll call the vote was yeas 68—Alexander, Arnett, Baker, Bartley, Blandford, Bleemel, Blume, Archie Brown, Edward G. Brown, Carter, Chapman, Clapp, Collins, Conn, Curlin, Walter Davis, Deskins, Donnermeyer, Durham, Freeman, Graves, Haney, Head, Hinkle, Huff, Hughes, Isler, Keene, Keith, Kenton, Kessinger, King, Knuckles, Lewis, Lindsay, McBrayer, McBride, McCann, McNamara, Massey, May, Mershon, Mitchell, Nett, Osborne, Parish, Peak, Pollitte, Prather, Rattliff, Ray, Reed, Russell Reynolds, T. P. Reynolds, Rickert, Ruh, Schmidt, Sharpe, Simmons, Stuart, Tobin, Van Horn, Wells, West, Glenn White, John E. White, Wible, Wright. Nays 3—Blythe, Lovins, Paxton.

SB 100 as amended was passed and the title agreed to.

SB 378 taken from Orders of the Day and ordered read at length for the third time. Representative E. G. Brown moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Curlin moved the adoption of the following Amendment No. 1 to **SB 378:**

Amend printed copy of Senate Bill 378 on page 2, line 11, by: inserting after the word *"commission"* the following: *", except that standards and regulations for carriers engaged in intra-and interstate commerce shall be not more stringent than those adopted by the commission,"*

Agreed.

Representative Curlin moved the adoption of the following Amendment No. 2 to **SB 378:**

Amend printed copy of Senate Bill 378 by:

Page 2, lines 27-28.

Page 3, lines 1-4.

Delete Section 4 in its entirety.

Page 3, line 5, renumber Section 5 as Section (4).

Page 3, line 8, renumber Section 6 as Section 5.

Agreed.

On the roll call the vote was yeas 74—Alexander, Arnett, Baker, Bartley, Blandford, Bleemel, Blume, Archie Brown, Edward G. Brown, Hershel Brown, Carter, Chapman, Clarke, Curlin, James A. Davis, Walter Davis, DeMarcus, Deskins, Donnermeyer, Durham, Floyd, Freeman, Graves, Haney, L. T. Hardin, Head, Hinkle, Huff, Isler, Keene, Keith, Kenton, Kessinger, King, Knuckles, Lewis, Louden, McBrayer, McCann, McKinney, McNamara, Massey, May, Mershon, Mitchell, Murphy, Nett, Osborne, Paxton, Peak, Pollitte, Prather, Priddy, Ray, Reed, Russell Reynolds, T. P. Reynolds, Rickert, Ruh, Salyers, Schmidt, Sharpe, Simmons, Stuart, Swinford, Tobin, Van Horn, Wells, West, Wheeler, John E. White, Wible, Wright, Wyatt. Nays 1—Kleier.

SB 378 as amended was passed and the title agreed to.

Representative E. G. Brown moved that the vote by which

SB 378 as amended was passed be reconsidered and said motion be postponed indefinitely. Agreed.

Representative E. G. Brown moved that the House concur in the following Senate Amendment to **HB 130:**

Amend printed copy of House Bill 130 on page 1, line 9 by: adding the following:

"When a vacancy exists and at least one person has been certified as qualified to fill the vacancy, the authority shall make the appointment within sixty days from the time the vacancy occurs."

Agreed.

On the roll call the vote was yeas 42—Alexander, Allen, Blandford, Bleemel, Archie Brown, Carter, Chapman, Clapp, Conn, Walter Davis, Deskins, Donnermeyer, Durham, Graves, Head, Hughes, Isler, Keene, Keith, Kenton, Kessinger, Knuckles, Lewis, Lovins, McBrayer, May, Murphy, Peak, Prather, Reed, Rickert, Ruh, Sharpe, Simmons, Swinford, Tobin, Van Horn, Wells, Wenz, Glenn White, Wible, Wyatt. Nays 9—Arnett, Collins, J. Davis, Freeman, Paxton, Pollitte, Stuart, Wheeler, J. White.

HB 130 as amended was passed and the title agreed to.

Representative E. G. Brown moved that the vote by which **HB 130** as amended was passed be reconsidered and said motion be postponed indefinitely. Agreed.

Representative E. G. Brown moved that the House concur in the following Senate Amendment to **HB 417:**

Amend printed copy of House Bill 417 on page 3, line 22 by: striking *"The board may appoint air-"*

And on page 3, by striking lines 23 through line 26 in their entirety;

And on page 3, line 27 by striking the words *"the governmental unit, of the laws of Kentucky."*

Agreed.

On the roll call the vote was yeas 65—Alexander, Allen, Baker, Blandford, Bleemel, Blume, Blythe, Archie Brown, Edward G. Brown, Hershel Brown, Carroll, Carter, Clapp, Clarke, Conn, Curlin, James A. Davis, Walter Davis, DeMarcus, Deskins,

Donnermeyer, Durham, Graves, Haney, John O. Hardin, Head, Hinkle, Holloway, Isler, Keene, Keith, Kenton, Kidd, Kleier, Knuckles, Lewis, Lindsay, McBrayer, McBride, McCann, McNamara, May, Mershon, Murphy, Nett, Osborne, Parish, Peak, Rattliff, Ray, Reed, Russell Reynolds, Rickert, Ruh, Schmidt, Stuart, Swinford, Tobin, Wenz, West, Wheeler, John E. White, Wible, Wright, Wyatt. Nays 8—Arnett, Freeman, Hughes, Paxton, Pollitte, Salyers, Van Horn, Yocom.

HB 417 as amended was passed and the title agreed to.

Representative E. G. Brown moved that the vote by which **HB 417** as amended was passed be reconsidered and said motion be postponed indefinitely. Agreed.

SB 269 taken from Orders of the Day and ordered read at length for the third time. Representative E. G. Brown moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Murphy moved the adoption of the following Amendment to **SB 269:**

Amend printed copy of Senate Bill 269 by: striking all words below the enacting clause and substituting therefor the following:

"Section 1. Section 344.020 of the Kentucky Revised Statutes is amended to read as follows:

(1) The general purposes of this chapter are:

(a) To provide for execution within the state of the policies embodied in the Federal Civil Rights Act of 1964 (78 Stat. 241);

(b) To safeguard all individuals within the state from discrimination because of race, color, religion, *sex,* and national origin in connection with employment, public accommodations and real estate transactions; thereby to protect their interest in personal dignity and freedom from humiliation in places of public accommodation and in real estate transactions, to make available to the state their full productive capacities in employment, to secure the state against domestic strife and unrest which would menace its democratic institutions, to preserve the public safety, health and general welfare, and to further the interests, rights and privileges of individuals within the state.

(c) To establish as the policy of the Commonwealth the safeguarding of the rights of an individual selling or leasing his own property without the aid of any person or corporation on a fee or commission.

(2) This chapter shall be construed to further the general purposes stated in this section and the special purposes of the particular provision involved.

(3) Nothing in this chapter shall be construed as indicating an intent to exclude local laws on the same subject matter not inconsistent with this chapter.

(4) Nothing contained in this chapter shall be deemed to repeal any other law of this state relating to discrimination because of race, color, religion, *sex,* and national origin.

Section 2. Any section of Chapter 344 prohibiting discrimination in any form shall be construed to prohibit discrimination because of sex."

Agreed.

On the roll call the vote was yeas 60—Alexander, Allen, Baker, Bartley, Archie Brown, Carter, Chapman, Clapp, Clarke, Collins, Conn, DeMarcus, Donnermeyer, Durham, Graves, Haney, John O. Hardin, L. T. Hardin, Head, Hinkle, Holloway, Hughes, Isler, Keene, Keith, Kenton, Knuckles, Lewis, Lindsay, Louden, McBrayer, McBride, McKinney, May, Mershon, Murphy, Nett, Parish, Paxton, Peak, Prather, Priddy, Ray, Reed, Russell Reynolds, T. P. Reynolds, Rickert, Ruh, Salyers, Schmidt, Sharpe, Tobin, Van Horn, Wenz, West, Wheeler, Glenn White, Wright, Wyatt, Yocom. Nays 17—Arnett, Blandford, Bleemel, Blume, Blythe, H. Brown, Carroll, J. Davis, W. Davis, Floyd, Huff, Lovins, Mitchell, Osborne, Rattliff, Stuart, Wible.

SB 269 as amended was passed.

Representative Murphy moved the adoption of the following Title Amendment to **SB 269** as amended:

Amend printed copy of Senate Bill 269 by: changing the title to read "AN ACT relating to discrimination because of sex."

The Title Amendment to **SB 269** as amended was adopted.

SB 371 taken from Orders of the Day and ordered read at length for the third time. Representative E. G. Brown moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

On the roll call the vote was yeas 57—Alexander, Baker, Bartley, Blandford, Bleemel, Blume, Blythe, Archie Brown, Hershel Brown, Chapman, Clapp, Clarke, Collins, Conn, Curlin, Walter Davis, DeMarcus, Donnermeyer, Graves, L. T. Hardin, Head, Hinkle, Holloway, Hughes, Isler, Keene, Keith, Kenton, Knuckles, Lewis, Lindsay, Louden, Lovins, McBride, McCann, Massey, Mershon, Mitchell, Osborne, Parish, Paxton, Peak, Pollitte, Prather, Priddy, Rickert, Schmidt, Sharpe, Simmons, Stuart, Tobin, Wenz, Wheeler, Wible, Wright, Wyatt, Yocom. Nays 5—Arnett, Ray, Van Horn, Wells, G. White.

SB 371 was passed and the title agreed to.

SB 327 taken from Orders of the Day and ordered read at length for the third time. Representative E. G. Brown moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

On the roll call the vote was yeas 70—Alexander, Allen, Baker, Bartley, Blandford, Bleemel, Blume, Blythe, Archie Brown, Hershel Brown, Chapman, Clapp, Collins, Conn, Curlin, James A. Davis, Walter Davis, DeMarcus, Deskins, Durham, Floyd, Graves, Haney, John O. Hardin, L. T. Hardin, Head, Hinkle, Holloway, Keene, Keith, Kenton, Kessinger, Kidd, King, Knuckles, Lewis, Lindsay, Louden, Lovins, McBrayer, McCann, McKinney, McNamara, Massey, May, Mershon, Mitchell, Nett, Osborne, Peak, Priddy, Rattliff, Reed, Russell Reynolds, T. P. Reynolds, Salyers, Schmidt, Sharpe, Simmons, Stuart, Tobin, Van Horn, Wenz, West, Wheeler, John E. White, Wible, Wright, Wyatt, Yocom. Nays 4—Donnermeyer, Paxton, Pollitte, Ruh.

SB 327 was passed and the title agreed to.

SB 276 taken from Orders of the Day and ordered read at length for the third time. Representative E. G. Brown moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Conn moved the adoption of the following Amendment to **SB 276:**

Amend printed copy of Senate Bill 276 on page 1, by: striking everything after the enacting clause and inserting in lieu thereof the following:

"Section 1. A new section of Chapter 61 of the Kentucky Revised Statutes is created to read as follows:

This Act applies to members of the General Assembly, officials elected statewide, judges of the Court of Appeals, circuit judges, Commonwealth's Attorneys and all candidates for all those offices, and department heads appointed under KRS 12.040. This Act also applies to a person appointed to a vacancy in an unexpired term of any office mentioned above.

Section 2. A new section of Chapter 61 of the Kentucky Revised Statutes is created to read as follows:

Each person subject to this Act, while holding office, shall file with the Kentucky Registry of Election Finance by March 15, of each year, the information required by this Act. Each person who is a candidate for any of the subject offices shall file with the office of the Registry of Election Finance within ten days after the filing deadline the information required by this Act. Nothing in this Act shall be construed to require the filing of more than one report for each subject individual each year.

Section 3. A new section of Chapter 61 of the Kentucky Revised Statutes is created to read as follows:

(1) Only activities subject to the jurisdiction of a state regulatory agency or activities with a legislative interest shall be covered by this Act.

(2) Under this Act, all sources of income where the amount received is less than $1000 for the twelve-month period immediately preceding the report, or equity interest valued at less than $1000 shall be exempt.

Section 4. A new section of Chapter 61 of the Kentucky Revised Statutes is created to read as follows:

Persons required to file information under this Act shall list with the Registry of Election Finance a simple description of the financial interest (not amounts), and memberships of the

candidate or office holder making the disclosure; all financial interests shall be included in said list whether in the form of stocks, bonds, partnerships, real estate, equity, or creditor interests or otherwise. Exempted from disclosure are financial interests in the form of accounts in banks, savings and loan associations, credit unions, and equity interests either valued at less than $1,000 or representing less than 5 percent of the total equity in the entity; also exempt shall be income from stock dividends or bond interest. The report shall include a list of each entity wherein an office, directorship, membership or employment is held by any person subject to disclosure in any activity regardless of income received or equity interest held, excepting such activities in political, religious and charitable entities. For compensated services from activities subject to this Act, said list shall specify the nature of the activity of the person or entity from whom compensation was received from which the candidate or office holder has received payment totaling $1,000 or more in the twelve-month period immediately preceding the report.

Section 5. A new section of Chapter 66 of the Kentucky Revised Statutes is created to read as follows:

Reports required by this Act shall be filed with the Kentucky Registry of Election Finance and shall be public record, subject to inspection by any citizen of the Commonwealth. Within thirty days after reports are due, the Registry of Election Finance shall publish a list of those people who have filed reports. This list shall contain only the names and no other information.

Section 6. A new section of Chapter 61 of the Kentucky Revised Statutes is created to read as follows:

The Registry of Election Finance shall adopt such regulations, official forms and perform such duties as are necessary to implement the provisions of this Act.

Section 7. A new section of Chapter 61 of the Kentucky Revised Statutes is created to read as follows:

The office or candidacy of any person required by this Act to file a report who fails to file or willfully files fraudulent information shall be void, and the office or candidacy shall be

filled as provided by law for the filling of the vacancy. An action to declare a vacancy under this Act may be brought by the Registry or any candidate for the office proposed to be declared vacant."

On the roll call the vote was yeas 32—Bartley, Blandford, Chapman, Clarke, Conn, James A. Davis, DeMarcus, Donnermeyer, Durham, Graves, John O. Hardin, Hinkle, Huff, Isler, Kenton, Kidd, Lewis, McBride, McNamara, Mershon, Osborne, Paxton, Pollitte, Prather, Reed, Rickert, Siemens, Van Horn, Wheeler, Wible, Wyatt, Yocom. Nays 30—Arnett, Bleemel, Blythe, A. Brown, H. Brown, Clapp, Floyd, L. Hardin, Keith, Kessinger, King, Knuckles, Lindsay, Louden, Lovins, McCann, Nett, Parish, Priddy, Rattliff, Ray, R. Reynolds, Ruh, Sharpe, Stuart, Wells, West, G. White, J. White, Wright.

The Amendment to **SB 276** was adopted.

On the roll call the vote was yeas 56—Alexander, Allen, Baker, Bartley, Blandford, Archie Brown, Edward G. Brown, Carroll, Chapman, Clapp, Clarke, Conn, James A. Davis, Walter Davis, DeMarcus, Donnermeyer, Durham, Graves, John O. Hardin, L. T. Hardin, Head, Hinkle, Holloway, Huff, Isler, Keith, Kenton, Knuckles, Lewis, Lindsay, McBrayer, McBride, McCann, McNamara, Mershon, Osborne, Paxton, Peak, Pollitte, Prather, Priddy, Reed, Rickert, Ruh, Salyers, Sharpe, Siemens, Tobin, Van Horn, Wenz, West, Wheeler, Wible, Wright, Wyatt, Yocom. Nays 10—Arnett, Bleemel, H. Brown, Floyd, Nett, Parish, Ray, T. Reynolds, Stuart, G. White.

SB 276 as amended was passed.

Representative Conn moved the adoption of the following Title Amendment to **SB 276:**

Amend printed copy of Senate Bill 276 on page 1, by: amending the title to read as follows:

"AN ACT relating to financial disclosure."

On the roll call the vote was yeas 45—Alexander, Allen, Blandford, Archie Brown, Hershel Brown, Chapman, Clapp, Conn, James A. Davis, Walter Davis, DeMarcus, Donnermeyer, Durham, Graves, John O. Hardin, L. T. Hardin, Head, Hinkle, Huff, Isler, Keith, Kenton, Knuckles, Lewis, Lindsay, McBride,

McCann, McNamara, Osborne, Parish, Paxton, Prather, Priddy, Reed, Rickert, Salyers, Sharpe, Siemens, Van Horn, Wenz, West, Wheeler, Wible, Wyatt, Yocom. Nays 3—Ray, Stuart, G. White.

The Title Amendment to **SB 276** as amended was adopted.

Report on Enrolled Bills

The Committee on Enrollment reported **HB 388, HB 142, HB 323, HB 638, HB 500, HB 497, HB 678, HB 609, HB 457, HB 129, HB 544, HB 50, HB 285, HB 693, HB 252, SB 402, SB 227, SB 289, SB 404, SB 117** and **SB 77** had been examined and found correctly enrolled. **HB 388, HB 142, HB 323, HB 638, HB 500, HB 497, HB 678, HB 609, HB 457, HB 129, HB 544, HB 50, HB 285, HB 693, HB 252, SB 402, SB 227, SB 289, SB 404, SB 117** and **SB 77** read at length, compared and signed in open session by the Speaker. Ordered delivered to the Senate.

HB 388, HB 142, HB 323, HB 638, HB 500, HB 497, HB 678, HB 609, HB 457, HB 129, HB 544, HB 50, HB 285, HB 693, HB 252, delivered to the Senate, signed by President. Ordered delivered to the Governor.

Representative Swinford moved that **HB 187** be returned to the Senate with the message that the House has refused to concur in the Senate Amendment to **HB 187.** Agreed.

HR 136, by Representatives Knuckles, Deskins, Chapman, Clapp, Hughes, Kessinger, McKinney, Parish, Simmons and Van Horn: A RESOLUTION calling upon the President of the University of Kentucky to rescind the invitation for William Kunstler to appear before the University Alumni in connection with the UK Law Day Observance.

WHEREAS, Law Day is set aside each year as a time of national rededication to the principles of law and justice upon which our Nation and our Commonwealth are founded; and

WHEREAS, this observance bespeaks the highest traditions and goals of justice, order, and law; and

WHEREAS, officials planning the Law Day observance at the University of Kentucky this year have invited as a speaker a

man who is the very antethesis of the ideals for which the observance stands; and

WHEREAS, the General Assembly believes fervently in the right of any accused to be defended by an advocate, but

WHEREAS, the General Assembly cannot condone the appearance of a man who openly flouts the system of justice which allows him to operate in the manner he does; and

WHEREAS, William Kunstler has distinguished himself only in an incendiary career marked by a trail of violence, abuse toward the courts and the judicial system, and culminating in an infamous trial which ended in his being cited for contempt on more than a score of occasions and his being sentenced to over four years in prison for his actions; and

WHEREAS, it is sad when a man who is such a celebrated detractor of justice is invited to speak before an occasion dedicated to justice; and

WHEREAS, The General Assembly does not wish to see the Law Day observance at the University of Kentucky besmirched and ridiculed by the appearance of this noted anarchist; and

WHEREAS, it is an added insult that this man is actually being paid to spread his poisonous message to the Commonwealth of Kentucky by extracting $10.00 from each of the alumni coming to hear the speech or to take part in the legtimate portions of the program which includes eminent and qualified speakers,

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

Section 1. That the House of Representatives of the General Assembly of the Commonwealth of Kentucky is unalterably opposed to the appearance of William Kunstler at or in connection with the Law Day observance of the University of Kentucky.

Section 2. That the President of the University of Kentucky and the officials of the Law Day observance are hereby requested by the House of Representatives of the General Assembly to withdraw the invitation to speak at the law day observance which has been issued to William Kunstler.

Section 3. That copies of this resolution be sent by special delivery registered mail to the President of the University of Kentucky, Dean of the College of Law, Secretary of the Alumni Association and Chairman of the Law Day observance committee.

Representative Deskins moved the adoption of **HR 136.**

On the roll call the vote was yeas 51—Alexander, Allen, Arnett, Bartley, Bleemel, Archie Brown, Edward G. Brown, Hershel Brown, Clapp, Collins, Walter Davis, DeMarcus, Deskins, Durham, Floyd, Freeman, L. T. Hardin, Hinkle, Holloway, Huff, Hughes, Isler, Keith, Kessinger, Knuckles, Lovins, McKinney, McNamara, Massey, May, Osborne, Parish, Paxton, Pollitte, Prather, Rattliff, Reed, Russell Reynolds, T. P. Reynolds, W. J. Reynolds, Ruh, Salyers, Sharpe, Simmons, Stuart, Tobin, Van Horn, Wells, West, John E. White, Wright. Nays 6—Blume, Clarke, Conn, Lewis, Nett, Wyatt.

HR 136 was adopted.

HR 135, by Representative Allen: A RESOLUTION asking for federal funds to construct schools in Magoffin County, Kentucky.

WHEREAS, the high school in Magoffin County was destroyed by fire in May of 1969; and

WHEREAS, on March 16, 1970 a grade school building in Magoffin County was destroyed by fire; and

WHEREAS, Magoffin County has been declared the third poorest county in the Nation; and

WHEREAS, the bonding potential of the county is so low as to preclude reconstruction of these necessary educational units;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

Section 1. That the federal government through one of its programs be requested to consider furnishing funds to construct schools in Magoffin County, Kentucky.

Section 2. That members of Kentucky's Congressional delegation, Governor Nunn, and Superintendent Butler be requested to aid in every available manner in procuring such funds.

Section 3. That copies of this resolution be sent to President Richard Nixon, Secretary of H E W Robert Finch, U. S. Senators John S. Cooper and Marlow W. Cook; U. S. Representative Carl D. Perkins, Mr. Alvin Arnett of the Appalachia Regional Commission Governor Louie B. Nunn; Superintendent of Public Instruction Wendell P. Butler; Frank J. Groschelle, Administrator, Program Development Office Kentucky and the Magoffin County Board of Education.

Representative Allen moved the adoption of **HR 135**. Agreed.

HR 137, by Representative Kenton: A RESOLUTION honoring Representative Mae Street Kidd.

WHEREAS, Mrs. Mae Street Kidd is now completing her second session of distinguished service as a member of this House of Representatives; and

WHEREAS, Representative Kidd has devoted much of her time and efforts to projects which, by serving the immediate needs of the under-privileged, develop and enrich Kentucky's finest natural resource – her people; and

WHEREAS, a fine example of Mrs. Kidd's public spirit and concern for Kentuckians in House Bill 478 of the 1970 Kentucky General Assembly which creates the Kentucky Housing Corporation, which was introduced by her in this House; and

WHEREAS, the passage of House Bill 478 is largely attributable to the force and clarity of her persuasion and her support;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

That this House commends Mrs. Mae Street Kidd for her continuing efforts for the people of this Commonwealth.

Representative Kenton moved the adoption of **HR 137.** Agreed.

HR 132, by Representative Kidd: A RESOLUTION honoring Mrs. Mary J. Robb.

WHEREAS, Mrs. Mary J. Robb, of Frankfort, will reach her 100th birthday on July 10, 1970; and

WHEREAS, Mrs. Robb remains the last living former faculty member having served under Dr. John H. Jackson, the first President of Kentucky Normal Institute, now Kentucky State College; and

WHEREAS, Mrs. Robb is the sole surviving charter member of the Winnie A. Scott Memorial Hospital Board, having served as its Treasurer for 47 years; and

WHEREAS, Mary J. Robb has touched the hearts and thoughts of those hundreds of Kentuckians with whom she has come in contact over 70 years of teaching and devotion to Christian principles;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

Section 1. That when the House of Representatives does adjourn on Friday, March 20, 1970, it does so in honor of and affection for Mrs. Mary J. Robb, and extends to her its sincere best wishes;

Section 2. That the Clerk of the House of Representatives be directed to transmit a copy of this resolution to Mrs. Mary J. Robb, Frankfort, Kentucky.

Representative Kidd moved the adoption of **HR 132**. Agreed.

HR 134, by Representatives Deskins and May: A RESOLUTION urging the U. S. Corps of Engineers to construct adequate roads to relieve the isolated condition of residents of the Fishtrap Reservoir area of Pike County, Kentucky.

WHEREAS, the construction of the Fishtrap Reservoir on the Levisa Fork of the Big Sandy River in Pike County, Kentucky, by the U.S. Corps of Engineers isolated the residents of the reservoir area generally and particularly the residents of Upper Pompey Creek, Hurricane Creek and Jonican tributaries of said river; and

WHEREAS, the relocation and construction of the Upper Pompey, Hurricane and Jonican roads under agreement between the United States of America and Pike County, Kentucky, dated March 14, 1961, and supplemental agreements dated March 13, 1962, and August 23, 1963, and March 28, 1968, do not provide adequate access for these areas for the reasons that: (a) the roads were located on and across steep, high mountains, (b) portions of the roads are steep, having a grade of from fifteen to twenty percent, and (c) the mountainous terrain where located results in recurring slides and subsidence during the winter and rainy seasons, closing the roads to vehicular traffic for long periods of time; and

WHEREAS, these conditions isolate the residents of these areas during winter and rainy seasons, thereby depriving the children from regular attendance at school and subjecting the residents to recurring hardships and inconveniences generally; and

WHEREAS, there is no access to the shore line of the lake created by the dam on the right side ascending the river from the dam to Lick Creek, a distance of some fifteen miles, and very limited access along the shore line of the lake ascending the left side from the dam to Grapevine Creek, a distance of substantially twelve miles; and

WHEREAS, the people of Pike County generally and the residents of the Fishtrap Reservoir area in particular have brought these conditions to the attention of the U.S. Corps of Engineers and have petitioned the Corps from time to time for relief but have received little consideration;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

Section 1. That the U. S. Corps of Engineers take immediate steps to alleviate the conditions aforesaid and provide adequate relief to the residents of Upper Pompey, Hurricane Creek and Jonican.

Section 2. That it is the sense and judgment of the House of Representatives that the location and construction by the

Corps of Engineers of a road along the shore line ascending the left side of the river and lake from the dam to Grapevine Creek would not only give the residents of Upper Pompey, Hurricane and Jonican adequate access to their homes and enable their children to attend school regularly, but would open up and make the lake and reservoir area available to the public generally.

Section 3. That a copy of this resolution be sent to Colonel John C. H. Lee, Director of Appalachian Studies, U.S. Corps of Engineers, P. O. Box 1155, Cincinnati, Ohio 45201, and to Governor Louie B. Nunn, Frankfort, Kentucky.

Representative Deskins moved the adoption of **HR 134.** Agreed.

HR 130, by Representatives Lewis, Arnett and Kenton: A RESOLUTION in honor and appreciation of the Speaker of this House of Representatives, the Honorable Julian M. Carroll.

WHEREAS, the Honorable Julian M. Carroll is now serving his fifth term of distinguished service as a member of this House of Representatives, and his second term of extraordinary capacity as Speaker of this House; and

WHEREAS, the Gentleman from West Paducah has demonstrated the wisdom of Solomon, the clarity of purpose of Alexander the Great, the forensic skills of a Demosthenes among the Athenians, the philosophical perception of Marcus Aurelius, and the generalship of Marlborough and Wellington; and

WHEREAS, both as Speaker and as a man he has demonstrated the truth of the words of the Bard: "To thine own self be true, and it must follow as the night the day, thou canst not then be false to any man"; and

WHEREAS, this House adjourns on this day with mixed feelings—of solemn pride in the successes of this deliberative body, and of poignant somberness in the realization that this high fellowship will meet in this place and in this manner "nevermore";

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

That this House rises to honor Julian Carroll, Speaker of this House—a gentleman—and a friend.

Representative Lewis moved the adoption of **HR 130.** Agreed.

HR 131, by Representatives Lewis and Kenton: A RESOLUTION honoring the Majority Floor Leader of this House, the Honorable W. Terry McBrayer.

WHEREAS, the tensions of a divided House can be such as to preclude the harmonious development of effective legislation; and

WHEREAS, among the great reasons that this divided House has not been a House divided against itself are the many hours of conscientious attention to detail, the unflagging energy, and the constant spirit of courtesy and compromise of the Majority Floor Leader of this House, Representative W. Terry McBrayer; and

WHEREAS, Terry McBrayer has demonstrated in this, his first term as Majority Floor Leader, an ability for leadership not often seen in any but the most seasoned members of this body; and

WHEREAS, the successes of Terry McBrayer as Majority Floor Leader are in fact the successes of this House, and all members take pride in their accomplishment;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

That this House of Representatives honors W. Terry McBrayer for his successes as Majority Floor Leader, and thanks him for his many services to this House and to its members.

Representative Lewis moved the adoption of **HR 131.** Agreed.

Senate Message

Announcing passage of **HB 220** with Senate Amendment, **HB 35, HB 187, HB 265, HB 279, HB 505, HB 339, HB 679, HR 90** and **HR 65.**

Report on Enrolled Bills

The Committee on Enrollment reported **HB 737, HB 417, HB 145, HR 105, HB 384, HB 130, HB 219, HB 623, HB 41, HB 418, HB 520, SR 63, SB 387, SB 312, SB 12, SB 224, SB 234** had been examined and found correctly enrolled. **HB 737, HB 417, HB 145, HR 105, HB 384, HB 130, HB 219, HB 623, HB 41, HB 418, HB 520, SR 63, SB 387, SB 312, SB 12, SB 224,** and **SB 234** read at length, compared and signed in open session by the Speaker. Ordered delivered to the Senate.

HB 737, HB 417, HB 145, HR 105, HB 384, HB 130, HB 219, HB 623, HB 41, HB 418 and **HB 520** delivered to the Senate, signed by President. Ordered delivered to the Governor.

Senate Message

Announcing passage of **HB 534, HB 260, HB 315** with Senate Amendment, **HB 611, HB 632, HB 374, HB 62** and **HB 453.**

A message in regard to **SB 269** was received stating that the Senate has refused to concur in the House Amendment to **Senate Bill 269** and respectfully requests the House to recede from the House Amendment to **SB 269.**

Orders of the Day (Continued)

Representative McBrayer moved that the House concur in the following Senate Amendment to **HB 315:**

Amend printed copy of House Bill 315 on page 4, lines 17 & 18 by: inserting between lines 17 and 18 the following:

"Section 5. A new section of Chapter 139 of the Kentucky Revised Statutes is created to read as follows:

There is excluded from the computation of the amount of taxes imposed by Chapter 139 of the Kentucky Revised Statutes gross receipts from the sales of tangible personal property to a city utility exempted from the jurisdiction of the Public Service Commission under KRS 278.010 (3), if the storage, use or other consumption of such tangible property in this state by such

utility would be exempt from the imposition of the use tax levied under KRS 139.310."

and on page 4, line 18, by changing "Section 5." to read "Section 6."

Agreed.

On the roll call the vote was yeas 52—Alexander, Baker, Bleemel, Blume, Edward G. Brown, Carroll, Carter, Chapman, Conn, Walter Davis, Deskins, Donnermeyer, Durham, Graves, Haney, Hinkle, Holloway, Isler, Keene, Keith, Kenton, Kessinger, Kidd, King, Kleier, Lewis, McBrayer, McCann, McNamara, May, Mershon, Mitchell, Murphy, Parish, Paxton, Pollitte, Prather, Reed, Russell Reynolds, Rickert, Salyers, Schmidt, Simmons, Swinford, Tobin, Wells, West, Wheeler, Glenn White, John E. White, Wible, Wright. Nays 1—Van Horn.

HB 315 as amended was passed and the title agreed to.

Representative McBrayer moved that the vote by which **HB 315** as amended was passed be reconsidered and said motion be postponed indefinitely. Agreed.

Representative McBrayer moved that the House refuse to recede from the House Amendment to **SB 269.** Agreed.

Representative McBrayer moved that the House refuse to concur in the Senate Committee Substitute to **HB 576.** Agreed.

Senate Message

Announcing passage of **HB 375, HB 377, HB 321, HB 576** and **HB 87** with Amendment.

Report on Enrolled Bills

The Committee on Enrollment reported **HB 375, HB 377, HB 315, HB 453, HB 62, HB 534, HB 260, HB 611, HB 632, HB 374, HB 577, HR 90, HR 65, HB 35, HB 339, HB 279, HB 265, HB 505, HB 679, HB 187, HB 220, HB 321, HB 576, SB 100, SB 327, SB 371** had been examined and found correctly enrolled.

HB 375, HB 377, HB 315, HB 453, HB 62, HB 534, HB 260, HB 611, HB 632, HB 374, HB 577, HR 90, HR 65, HB 35, HB 339, HB 279, HB 265, HB 505, HB 679, HB 187, HB 220, HB 321, HB 576, SB 100, SB 327 and **SB 371** read at length, compared and signed in open session by the Speaker. Ordered delivered to the Senate.

HB 375, HB 377, HB 315, HB 453, HB 62, HB 534, HB 260, HB 611, HB 632, HB 374, HB 577, HR 90, HR 65, HB 35, HB 339, HB 279, HB 265, HB 505, HB 679, HB 187, HB 220, HB 321 and **HB 576** delivered to the Senate, signed by President. Ordered delivered to the Governor.

Orders of the Day (Continued)

SR 83: A CONCURRENT RESOLUTION adjourning the General Assembly sine die on Friday, March 20, 1970.

Be it resolved by the Senate of the Commonwealth of Kentucky, the House of Representatives concurring therein:

That when the Senate and the House of Representatives do adjourn on Friday March 20, 1970, they do so adjourn sine die.

On the roll call the vote was yeas 76—Alexander, Arnett, Baker, Bartley, Bleemel, Blume, Blythe, Archie Brown, Edward G. Brown, Hershel Brown, Carroll, Chapman, Clapp, Conn, Curlin, James A. Davis, Walter Davis, Deskins, Durham, Graves, Haney, John O. Hardin, L. T. Hardin, Head, Hinkle, Holloway, Huff, Hughes, Isler, Keene, Keith, Kenton, Kessinger, Kidd, King, Kleier, Lewis, Lindsay, Louden, McBrayer, McBride, McCann, McNamara, Massey, Mershon, Miller, Mitchell, Murphy, Nett, Parish, Paxton, Peak, Prather, Priddy, Rattliff, Ray, Reed, Russell Reynolds, T. P. Reynolds, Rickert, Ruh, Salyers, Schmidt, Sharpe, Simmons, Swinford, Tobin, Van Horn, Wells, West, Wheeler, Glenn White, John E. White, Wible, Wright, Wyatt. Nays 0.

SR 83 was adopted.

Representative McBrayer moved that the House concur in the following Senate Amendment to **HB 220:**

Amend printed copy of House Bill 220 on page 7, line 1, by: changing the figure *"30"* to *"60"*

and on page 10 line 5 by changing the word *"thirty"* to *"sixty"*

and also Amend printed copy of House Bill 220 on page 7, lines 19 & 25 by:

deleting the brackets where found on lines 19 and 25;

and on page 7, line 13, by adding at the end of line 13 the following:

"The citizen may appeal the determination of the Chief of Police to the County Police Merit Board."

Agreed.

On the roll call the vote was yeas 70—Alexander, Allen, Arnett, Baker, Bartley, Bleemel, Blume, Archie Brown, Edward G. Brown, Hershel Brown, Carroll, Chapman, Clapp, Conn, James A. Davis, Walter Davis, Deskins, Donnermeyer, Durham, Floyd, Graves, Haney, L. T. Hardin, Head, Hinkle, Holloway, Hughes, Isler, Keene, Keith, Kenton, Kessinger, King, Kleier, Lewis, Lindsay, Louden, McBride, McCann, McNamara, Massey, Mershon, Miller, Mitchell, Murphy, Nett, Parish, Paxton, Pollitte, Prather, Priddy, Rattliff, Reed, Russell Reynolds, Rickert, Ruh, Salyers, Schmidt, Siemens, Simmons, Swinford, Van Horn, Wells, West, Wheeler, Glenn White, John E. White, Wible, Wright, Yocom. Nays 3—Blythe, Freeman, Wyatt.

HB 220 as amended was passed and the title agreed to.

Representative Peak announced he wished to vote "yea" on **HB 220.**

Senate Message

Announcing passage of **SB 276.**

Representative Lindsay moved that the Rules be suspended to make a motion. Agreed.

Representative Lindsay moved that the House be at ease until such time as the Enrollment Committee completes its business.

On the roll call the vote was yeas 47—Alexander, Baker, Bartley, Edward G. Brown, Hershel Brown, Carter, Chapman, Clarke, Collins, James A. Davis, Walter Davis, DeMarcus, Durham, Graves, John O. Hardin, L. T. Hardin, Hinkle, Holloway, Huff, Hughes, Isler, Keith, Kenton, Kessinger, King, Lindsay, Louden, McCann, Osborne, Priddy, Ray, Reed, Russell Reynolds, Rickert, Schmidt, Sharpe, Siemens, Simmons, Stuart, Tobin, Van Horn, West, Wheeler, John E. White, Wible, Wright, Yocom. Nays 27—Allen, Arnett, Bleemel, Blume, A. Brown, Carroll, Clapp, Conn, Floyd, Freeman, Head, Kleier, Lewis, Lovins, McBrayer, McBride, Parish, Paxton, Peak, Pollitte, Prather, Rattliff, T. Reynolds, Ruh, Salyers, Wells, G. White.

The motion that the House be at ease until such time as the Enrollment Committee completes its business was adopted.

Report on Enrolled Bills

The Committee on Enrollment reported **SB 378, SB 359, SB 43** and **SB 406** had been examined and found correctly enrolled. **SB 378, SB 359, SB 43 and SB 406** read at length, compared and signed in open session by the Speaker. Ordered delivered to the Senate.

Representative McBrayer moved that the House of Representatives Journal for the 1970 Session be approved. Agreed.

Representative McBrayer moved that the House adjourn sine die.

On the roll call the vote was yeas 43—Arnett, Baker, Bartley, Blume, Archie Brown, Carter, Chapman, Collins, Conn, Curlin, Walter Davis, Donnermeyer, Freeman, Graves, John O. Hardin, L. T. Hardin, Hinkle, Holloway, Hughes, Keene, Kenton, Kessinger, Kidd, King, Kleier, Lewis, McBrayer, McBride, McNamara, Miller, Murphy, Nett, Paxton, Peak, Prather, Ray, Roberts, Ruh, Swinford, Tobin, Van Horn, Glenn White, John E. White. Nays 2—Clarke, Lindsay.

Agreed.

The Journal of the House of Representatives was read, compared and approved. The House adjourned sine die.

VETO MESSAGES

(Spread Upon the Register of the Secretary of State After *Sine Die Adjournment*)

HB 35. Pursuant to the authority vested in me by Section 88 of the Constitution of Kentucky, I am vetoing House Bill 35, for the following reasons: This bill is in direct conflict to some of the objectives sought during this session in other legislation which will become law. This legislation could permit an adult to obtain custody of a child even though danger to the child might be imminent.

S/ Louie B. Nunn
Governor

March 31, 1970

HB 46. Pursuant to the authority vested in me by Section 88 of the Constitution of Kentucky, I am vetoing House Bill 46, for the following reason: This bill would substantially increase the cost of strikes and deplete unemployment funds paid in for other purposes.

S/ Louie B. Nunn
Governor

March 31, 1970

HB 62. Pursuant to the authority vested in me by Section 88 of the Constitution of Kentucky, I am vetoing House Bill 62 for the following reasons: The laws affected by this bill have adequately served the causes of good government throughout the years. No advantages are to be gained by this bill. No advancement in the cause of good government is inherent with the enactment of this legislation.

S/ Louie B. Nunn
Governor

March 31, 1970

HB 66. Pursuant to the authority vested in me by Section 88 of the Constitution of Kentucky, I am vetoing House Bill 66 for the following reasons: House Bill 66 aims at a noble goal — the improvement of early childhood education. However, in the considered opinion of many educational specialists in childhood development and growth, and others, this bill is not the best way to achieve that goal. The improvements it foresees are not permanent. The true purpose of education should be to meet the needs of each individual child. On that basis, I cannot deny thousands of Kentucky children the opportunity to begin their education if they are ready for it. With increasing interest in the young child and the increasing pre-school learning, many children are ready for school at an early age. I am aware that many may not be. The existing state law requiring school attendance provides adequate latitude for those not of mature age. The debate over this bill will have served a useful purpose if parents now realize the choice they have. If a child is ready to attend school early, he or she may do so. If not, entry may be delayed for further maturity. It is to protect the right of choice for all children that I must veto House Bill 66.

S/ Louie B. Nunn
Governor

March 31, 1970

HB 123. Pursuant to the authority vested in me by Section 88 of the Constitution of Kentucky, I am vetoing House Bill 123, for the following reasons: Employment of legal counsel is mandatory and county attorneys can perform the necessary duties.

S/ Louie B. Nunn
Governor

March 31, 1970

HB 130. Pursuant to the authority vested in me by Section 88 of the Constitution of Kentucky, I am vetoing House Bill 130 for the following reasons. Authority contained herein should be a prerogative for local governments.

S/ Louie B. Nunn
Governor

March 31, 1970

HB 143. Pursuant to the authority vested in me by Section 88 of the Constitution of Kentucky, I am vetoing House Bill 143, for the following reasons: The province of the court should not be eliminated in estate matters and this legislation requires additional judgment and an increased workload upon the Property Evaluation Administrator.

S/ Louie B. Nunn
Governor

March 31, 1970

HB 152. Pursuant to the authority vested in me by Section 88 of the Constitution of Kentucky, I am vetoing House Bill 152, for the following reasons: This bill permits preferential consideration and limits competition.

S/ Louie B. Nunn
Governor

March 31, 1970

HB 206. Pursuant to the authority vested in me by Section 88 of the Constitution of Kentucky, I am vetoing House Bill 206 for the following reasons: It is desirable that the best facilities possible be provided for the education of our youth; however, this bill requires unappropriated expenditures of such amounts that neither local nor state units of government are prepared to meet the burden placed upon them by this legislation.

S/ Louie B. Nunn
Governor

March 31, 1970

HB 219. Pursuant to the authority vested in me by Section 88 of the Constitution of Kentucky, I am vetoing House Bill 219 for the following reasons: Congress established the Federal Civil Service Retirement System and did not see fit to exempt from Federal income taxes pensions paid under the system. This bill provides exemptions for a particular class. Consequently, it is discriminatory as to others living under annuity plans. This bill

must be vetoed because it grants special tax privileges to one group of retired individuals and ignores retirees of private industry and other retirement systems.

S/ Louie B. Nunn
Governor

March 31, 1970

HB 223. Pursuant to the authority vested in me by Section 88 of the Constitution of Kentucky, I am vetoing House Bill 223 for the following reasons: Because the inconvenience herein sought to be relieved does not overcome the need for maximum safety for school children.

S/ Louie B. Nunn
Governor

March 31, 1970

HB 245. Pursuant to the authority vested in me by Section 88 of the Constitution of Kentucky, I am vetoing House Bill 245, for the following reasons: This legislation serves no useful purpose and increases cost.

S/ Louie B. Nunn
Governor

March 31, 1970

HB 250. Pursuant to the authority vested in me by Section 88 of the Constitution of Kentucky, I am vetoing House Bill 250 for the following reasons: The restrictions imposed upon the Kentucky Health and Geriatric Authority by this bill would seriously impair the state's ability to help provide facilities and care needed by Kentucky's aged.

S/ Louie B. Nunn
Governor

March 31, 1970

HB 251. Pursuant to the authority vested in me by Section 88 of the Constitution of Kentucky, I am vetoing House Bill 251 for the following reasons:

Whereas, the care and comfort of the senior citizens of the Commonwealth is of increasing concern to all Kentuckians; and

Whereas, the planning and construction of facilities for the care of senior citizens should be a part of the total health planning for the Commonwealth, and

Whereas, the bill creating the Kentucky Health and Geriatric Authority so provide this bill is vetoed.

S/ Louie B. Nunn
Governor

March 31, 1970

HB 253. By the authority vested in me by Section 88 of the Constitution of Kentucky, I hereby veto House Bill 253 for the following reasons: This bill discriminatorily restricts the use of public funds, were any available, for the treatment of only, one malady, which, while certainly deserving of attention and compassion, should not pre-empt the same consideration for those who suffer, for instance, from cancer, chronic heart disease, or other serious ailments.

S/ Louie B. Nunn
Governor

March 31, 1970

HB 265. Pursuant to the authority vested in me by Section 88 of the Constitution of Kentucky, I am vetoing House Bill 265 for the following reasons: This bill violates the principle of responsible government. The person who holds an office should be held accountable for the acts of his chosen subordinates. The Sheriff of Jefferson County should not be permitted to escape from the same type of liabilities incurred by Sheriffs of all other counties.

S/ Louie B. Nunn
Governor

March 31, 1970

HB 309. By the authority vested in me by Section 88 of the Constitution of Kentucky, I am vetoing House Bill 309 because: No appropriation was made by the Legislature for the implementation of this bill.

S/ Louie B. Nunn
Governor

March 31, 1970

HB 315. Pursuant to the authority vested in me by Section 88 of the Constitution of Kentucky, I am vetoing House Bill 315 for the following reasons: An amendment was attached exempting utilities from the sales and usage tax. This is preferential and discriminatory treatment.

S/ Louie B. Nunn
Governor

March 31, 1970

HB 351. Pursuant to the authority vested in me by Section 88 of the Constitution of Kentucky, I am vetoing House Bill 351 for the following reasons: Stockholders should not be bypassed as it is too great an extension of power to the board of directors.

S/ Louie B. Nunn
Governor

March 31, 1970

HB 356. Pursuant to the authority vested in me by Section 88 of the Constitution of Kentucky, I am vetoing House Bill 356 for the following reasons: The appropriations contained therein were contingent upon House Bill 66 becoming law. House Bill 66 has been vetoed. Consequently, no funds are available. Furthermore, even though the purposes of this legislation are most desirable, we do not have adequately trained personnel presently to implement a program of this magnitude. The needs of the exceptional children of Kentucky are being met by other legislation which I proposed during this session and which has become law.

S/ Louie B. Nunn
Governor

March 31, 1970

HB 388. Pursuant to the authority vested in me by Section 88 of the Constitution of Kentucky, I am vetoing House Bill 388, for the following reasons: Adequate safeguards in the existing laws eliminate the necessity for this legislation.

S/ Louie B. Nunn
Governor

March 31, 1970

HB 416. Pursuant to the authority vested in me by Section 88 of the Constitution of Kentucky, I am vetoing House Bill 416, for the following reasons: Utilities are so regulated that a profit is guaranteed and the parties here involved use highway right-of-ways without a payment of any fee for so using. Consequently, the Highway Department should not be required to bear the expense for removal.

S/ Louie B. Nunn
Governor

March 31, 1970

HB 460. Pursuant to the authority vested in me by Section 88 of the Constitution of Kentucky, I am vetoing House Bill 460 for the following reasons: This act would permit banks to expand beyond the primary purposes for which they were created, thereby placing them at an economic advantage in relation to other businesses and individuals within the community who may desire to invest in real or personal property.

S/ Louie B. Nunn
Governor

March 31, 1970

HB 469. Pursuant to the authority vested in me by Section 88 of the Constitution of Kentucky, I am vetoing House Bill 469 for the following reasons: This bill subjects the County Court Clerks to the will of the chief executive officer of the county in matters pertaining to voter registration. It is mandatory legislation which would probably result in political differences and varied judgments as to the necessity for branch registration of-

fices. Responsibility for the administration of voter registration historically has been with the County Court Clerks. This changes the authority and to some extent leaves it a discretionary matter with the chief executive officer of any city within the designated county. The inherent dangers so outweigh the advantages that it should not become law. Therefore the same is vetoed.

S/ Louie B. Nunn
Governor

March 31, 1970

HB 478. Pursuant to the authority vested in me by Section 88 of the Constitution of Kentucky, I am vetoing House Bill 478 for the following reasons: The financing and construction of low income housing has for many years been an area of great concern and astronomical expenditure by the Federal government. Present Federal laws and multitude of Federal agencies aid and assist in the construction, planning and lending of funds for low income housing. The United States Department of Housing and Urban Development presently is expanding low income housing projects at all levels. This bill extends the state into a field in which adequate Federal programs are meeting the primary needs of the people. It provides for a $200-million issuance of bonds under almost unrestricted conditions which, in itself, would dilute the bonding potential and weaken the salability of state bonds for other needed and desirable purposes for which no Federal consideration or aid is provided. The unrestricted authority that would be granted under this act leaves much to be desired in sound state financial management. There are other compelling reasons, but the above are in themselves adequate.

S/ Louie B. Nunn
Governor

March 31, 1970

HB 505. Pursuant to the authority vested in me by Section 88 of the Constitution of Kentucky, I am vetoing House Bill 505, for the following reason: The present law is adequate.

S/ Louie B. Nunn
Governor

March 31, 1970

HB 520. Pursuant to the authority vested in me by Section 88 of the Constitution of Kentucky, I am vetoing House Bill 520, for the following reasons: This bill not only permits preferential consideration and limits competition, but also expands the area for both.

S/ Louie B. Nunn
Governor

March 31, 1970

HB 611. Pursuant to the authority vested in me by Section 88 of the Constitution of Kentucky, I am vetoing House Bill 611 for the following reasons: Neighborhood parks should be neighborhood projects. The Department of Parks was not created for this purpose and so long as it operates at a deficit should not expand into this area regardless of how desirable it may be.

S/ Louie B. Nunn
Governor

March 31, 1970

HB 632. Pursuant to the authority vested in me by Section 88 of the Constitution of Kentucky, I am vetoing House Bill 632 for the following reasons: In this day of concern for consumer information, it is well to retain the present arrangement under which companies are clearly labeled as to the type of their organization and the conditions under which they exist.

S/ Louie B. Nunn
Governor

March 31, 1970

HR 11. Pursuant to the authority vested in me by Section 88 of the Constitution of Kentucky, I am vetoing House Resolution 11, for the following reason: The study of the election laws of the Commonwealth of Kentucky for political purposes is not necessary.

S/ Louie B. Nunn
Governor

March 31, 1970

HR 28. Pursuant to the authority vested in me by Section 88 of the Constitution of Kentucky, I am vetoing House Resolution 28 for the following reasons: The Department of Revenue continuously studies the tax structure of the Commonwealth of Kentucky and its relation to the tax structures of other governmental units. The Legislative Research Commission does not need a politically motivated directive to make studies. This Resolution is thereby vetoed.

S/ Louie B. Nunn
Governor

March 31, 1970

HR 55. I am vetoing House Joint Resolution 55 because it is not in the best interest of the University of Louisville, the people of Jefferson County, and the Commonwealth of Kentucky. The language in Sections 3 and 4, in particular, would create serious confusion and ambiguity concerning the legal status of the University of Louisville as a state institution of higher education. Such provisions could prevent the University of Louisville from receiving the state funds and bonding potential which it must have to provide its students and the people of Jefferson County with quality state public higher education comparable with out other fine state institutions. At my insistence, these harmful features were removed from the Second Committee Substitute for Senate Bill 117 before its passage on the last day of the legislative session. However, neither the intent behind nor the effect of House Resolution 55 serves the interest of the University of Louisville; and therefore, I cannot allow it to become law. If this Resolution were permitted to become law, it would be difficult if not impossible to administer budget provisions and Second Committee Substitute for Senate Bill 117, both of which will be the law.

S/ Louie B. Nunn
Governor

March 30, 1970

INDEX

	Page
Kentucky Revised Statutes Affected by Bills	3406
History of House Bills	3418
History of House Resolutions	3468
History of Senate Bills	3478
History of Senate Resolutions	3488
General Index	3490
Schedule of Legislative Days	3542

INDEX

Kentucky Revised Statutes Affected by Bills

(See Index of Bill History for page reference)

Numbers to the left refer to chapters and sections of the Kentucky Revised statutes affected by bills listed in the right-hand column. In some instances, the bills themselves do not specify the particular KRS Chapter or section. These have been designated by the Reviser of the Statutes.

2	HB 16
2.110	HB 95; SB 115
6	HB 23, 216, 633; SB 132
6.030	HB 138
6.050	SB 153
6.365	SB 10
6.370	SB 153
6.385	SB 10
7	HB 722
7.170	HB 722
11	HB 258
12.020	SB 153
12.022	HB 338
13	HB 717
15	HB 526, 625
16	HB 676, 720
16.010	HB 647
16.100	HB 586, 678
16.120	HB 696
16.505	HB 647
16.520	HB 647; SB 59
16.530	HB 647
16.541	HB 273
16.545	HB 647
16.576	SB 59
16.578	SB 59
16.581	SB 51
16.591	SB 59
17	HB 353, 484
17.010	HB 679
17.147	SB 153
18	HB 111, 401, 551
18.140	HB 594
18.160	HB 551
18.170	HB 551
18.270	HB 551
18.280	HB 551
18.410	HB 628
21.060	HB 45
22.050	HB 418
22.060	HB 418
23	HB 211, 438, 507, 539
23.040	HB 50, 70, 148, 554; SB 24
23.085	HB 474; SB 311
23.090	HB 581
23.390	HB 581
24.170	SB 12
24.180	SB 12
25	HB 165; SB 288
25.030	SB 288
25.160	HB 99
25.330	HB 155
25.440	HB 639
25.680	HB 559
25.690	HB 559
25.700	HB 559
25.710	SB 135
26.150	HB 576
26.430	HB 129
26.650	HB 331
26.660	HB 331
26.665	HB 331
28.030	HB 205
28.165	SB 153
28.180	HB 230, 548
28.410	SB 312
28.450	HB 658; SB 285
29.025	SB 109
29.035	HB 446
29.065	SB 291
29.262	HB 230
29.390	HB 17, 82, 120, 581; SB 227
30	SB 379
31	HB 739; SB 261
35	HB 208
36	HB 603
36.020	SB 153
36.025	SB 153
36.040	SB 153
37.230	SB 153
37.270	SB 153
37.280	SB 153
38.101	HB 534
38.210	SB 153
38.235	SB 153
41.220	HB 747
41.230	HB 747
41.240	HB 747
41.250	HB 747
41.260	HB 747
41.270	HB 747
41.300	HB 747
42	HB 233, 239, 240
42.180	HB 127
43.050	SB 153
45	HB 204, 233
45.060	HB 13
45.070	HB 13
45.180	HB 237, 386, 586
45.230	HB 243
45.231	HB 244
45.236	SB 153

45.360 HB 233
45.390 HB 233
47 HB 5, 18, 103, 162, 252, 253, 305, 339, 346, 347, 356, 357, 421, 526, 577, 702, 712, 722, 733; HR 23, 60; HJR 4, 28, 45, 56, 68, 72; SB 5, 340, 341; SJR 58, 63
47.110 HB 315
56 HB 661; SB 180
56.040 HB 242
56.120 SB 153
56.440 HB 262
56.491 SB 327
56.513 SB 371
56.550 HB 262
58 SB 96, 371
61 HB 23, 78, 224, 531; SB 188
61.094 HB 34, 525
61.096 HB 669
61.300 HB 182
61.360 SB 241
61.373 HB 443
61.410 HB 224
61.420 HB 224
61.430 HB 224
61.510 HB 495
61.525 HB 453
61.555 HB 465
61.595 HB 531
61.600 SB 188
61.605 SB 188
61.637 SB 188
64 HB 42, 125, 151, 264, 400, 637
64.010 SB 89
64.090 HB 515
64.095 HB 515.
64.185 HB 407
64.225 SB 195
64.260 SB 108
64.290 HB 602
64.300 SB 146
64.510 SB 284
64.515 SB 284
64.525 HB 710
64.530 HB 260
64.535 HB 65; SB 30
64.640(2) SB 406
65 HB 178, 660; SB 257
66.550-580 HB 555; SB 387
67 HB 81, 543, 650, 673; SB 207, 294
67.080 HB 494
67.160 SB 293
68 HB 610
68.190 HB 456
68.245 HB 452, 579
68.260 HB 41
69.010 HB 710
69.055 HB 710
69.095 HB 710
69.110 HB 710
69.265 HB 732
70.040 HB 265
70.170 SB 153
74 HB 37, 428
74.020 HB 319
74.030 HB 123
74.407 HB 636
75 HB 528
75.010 HB 528
75.020 HB 528
75.025 HB 528
75.040 HB 528
75.210 SB 156
75.220 SB 156
75.230 SB 156
75.350 HB 109
76.254 SB 153
77.070 HB 523; SB 309
78 SB 188
78.410 HB 220
78.415 HB 220
78.420 HB 220
78.440 HB 220
78.445 HB 220
78.450 HB 220
78.455 HB 220
78.460 HB 220
78.510 HB 419
78.690 SB 188
78.700 SB 188
78.765 SB 188
79.080 HB 295
80 HB 185
80.030 HB 614
80.040 HB 614
80.050 HB 185
80.200 HB 185
80.510 HB 185
80.620 HB 132, 503; SB 303
80.630 HB 132
80.640 HB 132, 503; SB 303
80.650 HB 132, 503; SB 303
80.660 HB 503; SB 303
80.670 HB 503; SB 303
80.680 HB 132, 503; SB 303
80.690 HB 132, 503; SB 303
80.700 HB 503; SB 303
80.710 HB 132, 503; SB 303
80.720 HB 132, 503; SB 303
81 HB 9, 457
81.010 HB 153, 300, 383; SB 201, 208, 223, 320
81.140 HB 9
81.190 HB 9
81.195 HB 435
81.210 HB 9
81.220 HB 9
81.270 HB 9
82 HB 571; SB 259
83 HB 355
83.040 HB 321
83.345 HB 327
83.350 HB 137, 327
85.060 HB 62
85.180 HB 660
87.050 HB 98
88.060 HB 98
89.380 SB 266

89.390-990 HB 642
90 HB 97
90.120 HB 425
90.130 HB 425, 502
90.140 HB 425
90.160 HB 425
90.180 HB 425
90.190 HB 425
90.350 HB 130
90.390 HB 410
90.400 HB 354
92 HB 246
92.520 SB 153
92.680 HB 152, 520
93 HB 303; SB 186
93.370 HB 329
94.280 HB 107
95 HB 64, 85, 117, 146, 195
95.430 HB 83, 106, 371
95.440 HB 599
95.445 HB 21
95.460 HB 288
95.761 HB 10
95.820 HB 146
95.859 HB 713
96 HB 414
96.520 SB 112
96.530 SB 112
96.600 SB 153
96.820 HB 659
99 HB 631
99.420 HB 187
100.111 HB 649
100.137 HB 31
100.141 HB 740
100.147 HB 740
100.237 HB 44
100.277 HB 649
103.200 SB 206
103.210 SB 206
103.220 SB 206
103.230 SB 206
103.240 SB 206
107 HB 555; SB 387
107.010 HB 402
107.020 HB 402
107.030 SB 153
107.040 SB 153
107.090 SB 153
108A HB 320
109.040 HB 744
117 HB 55, 469, 682
117.620 SB 15
117.630 HB 682
117.640 HB 284
117.650 HB 682
117.715 SB 15
117.735 HB 284
117.745 HB 259
117.803 HB 682
117.810 HB 682, 686
117.815 HB 682
118 HB 213
118.030 HB 269
118.040 HB 200
118.170 HB 263
118.173 SB 153
118.200 HB 160
118.350 HB 202
119 HB 723
119.010 HB 93
119.040 HB 108, 200, 269
120 HB 282
123 HB 144
123.005-992 SB 77
123.091 SB 153
125.050 HB 207
125.100 HB 290
125.190 HB 38, 113
126.140 HB 101
126.145 SB 275
126.160 HB 101; SB 275
126.170 SB 275
126.190 SB 66
126.300 SB 275
131 HB 317
132 HB 121, 442, 617
132.010 HB 442, 579
132.023 HB 579
132.027 HB 452, 579
132.190 HB 312, 617
132.200 HB 145
132.425 HB 348, 498, 579
132.450 HB 245, 442
132.590 HB 79
132.690 HB 467
133.150 HB 467
134.180 HB 516
134.290 HB 517
134.420 HB 445
134.430 HB 479
134.580 HB 317
136 HB 22
136.070 HB 22
136.290 HB 22
136.300 HB 22
136.360 HB 103
138 HB 301, 466, 562, 584, 648, 721, 728, 734
138.140 HB 302, 358, 466, 584
138.146 HB 584
138.450 HB 72
138.460 HB 24, 72, 149
138.470 HB 1, 72, 313, 409
138.510 HB 491
138.515 HB 491, 563
138.530 HB 563
138.540 HB 563
138.670 HB 234
138.715 HB 234
139 HB 4, 14, 30, 179, 316, 583; SB 4
139.200 HB 30, 149
139.230 HB 149
139.310 HB 149
139.320 HB 149
139.450 HB 149
139.470 HB 58, 94, 100, 203, 372, 385, 392, 420
139.480 HB 4, 332, 372, 385; SB 4

139.483 HB 372
140.010 SB 252
140.030 SB 34
140.080 HB 232, 310
140.160 HB 143
140.250 HB 609
141 HB 2, 20, 43, 84
141.010 HB 39, 40, 75, 219, 231, 317, 441
141.012 HB 317
141.020 HB 317, 340, 403
141.025 HB 340
141.040 HB 22
141.046 HB 317
141.081 HB 340
141.082 HB 340
141.190 HB 340
141.205 HB 317
141.210 HB 317
141.235 HB 317
141.310 HB 317, 340
141.330 HB 317
141.360 HB 317, 340
141.990 HB 317
142.010 HB 315
142.011 HB 315
142.015 HB 315
142.050 HB 11
146 SB 269
146A HB 421
147A HB 176
147B HB 175
148 HB 92, 565, 567, 611; SB 268
148.001 HB 565
149 HB 448
149.080 SB 153
149.370 HB 236
149.991 HB 236
150 HB 672
150.170 HB 214, 362; SB 153
150.200 HB 261
150.460 HB 440
150.990 SB 153
151.220 HB 449
152 SB 224
152.020 SB 221
152.060 SB 221
152.070 SB 221
152.080 SB 221
152.125 HB 591
152.410-480 SB 221
153 HB 598, 616; SB 283
154.130 SB 222
154.143 SB 222
156.050 SB 232
156.070 HB 262
156.447 HB 364; SB 216
156.510 HB 394
156.520 HB 394
156.710 HB 305
157 HB 256, 450, 704
157.200 HB 255
157.295 SB 153
157.305 HB 209
157.380 HB 579
157.390 HB 369, 450, 702, 733; SB 228
157.400 HB 601
157.420 HB 363, 369, 702, 733; SB 215, 228
157.440 HB 468; SB 231
158 HB 57, 267
158.030 HB 66
158.070 HB 271
158.110 HB 206, 707
159.080 HB 597
160 HB 158, 215, 462, 597
160.010 HB 597
160.020 HB 597, 645
160.030 HB 597
160.040 HB 597
160.042 HB 597
160.044 HB 597
160.140 HB 707
160.160 HB 597
160.190 HB 597
160.200 HB 597
160.210 HB 597
160.260(1) HB 597
160.280 HB 268, 495, 597
160.360 HB 597
160.440 HB 597
160.460 HB 579, 597
160.470 HB 451, 468, 579; SB 231, 386
160.470(4) HB 522
160.475 HB 579
160.477 HB 468; SB 231
160.483 HB 154
160.500 HB 597
160.510 HB 597
160.593 HB 697
160.595 HB 697
160.611 HB 556
160.617 HB 94
161 HB 49, 60, 61, 74, 122, 569, 665
161.030 HB 365, 665
161.155 HB 142
161.180 HB 69; SB 194
161.250 HB 719
161.260 HB 719; SB 168
161.470 HB 716
161.520 HB 150, 481
161.525 HB 501
161.595 HB 8
161.600 HB 126
161.620 HB 52, 150, 501, 541, 643
161.635 HB 150
161.655 HB 150
161.661 HB 486
161.675 HB 150
161.750 HB 59
161.760 HB 59
161.770 HB 292
162 SB 298
162.170 SB 298
162.180 SB 298
163 HB 352
163.150 HB 667
164 HB 25, 393, 412, 413, 529, 730; SB 21, 108, 117, 147
164.020 HB 196, 306
164.026 SB 117

164.090 HB 519
164.130 HB 535, 575
164.230 HB 26
164.293 HB 26; SB 153
164.320 HB 26, 535; SB 357
164.591 HB 25; SB 21
164.600 SB 305
164.740 HB 76
164.744 HB 76
164.746 HB 76
164.748 HB 76
164.750 HB 76
164.752 HB 76
165.020 SB 117
166.191 SB 402
166.195 SB 402
166.200 SB 402
168.010-050 HB 262
168.100 HB 262
169 HB 198
171 HB 745; SB 153, 404
171.150 HB 398
171.200 HB 398
171.203 HB 398
171.204 HB 398
171.306 HB 398
171.410 HB 127
171.420 HB 127
171.520 HB 398
171.990 HB 238
172.110 HB 548
173.340 SB 213
173.610 HB 156
173.790 HB 398
173.800 HB 398
176 HB 397; SB 198
177 HB 281, 416, 422, 671
177.065 HB 281
177.990 HB 671
178.010 SB 127
178.290 HB 444
179.230 SB 153
179.400 HB 670
179.420 HB 670
180 HB 7
183 HB 166, 426
183.133 HB 417, 476
183.640 HB 417
184 SB 44
185.375 HB 223
186 HB 161, 217 309, 552, 699
186A HB 703
186.043 SB 129
186.050 HB 325, 459
186.070 HB 72, 409
186.140 HB 234
186.410 HB 322
186.412 HB 322; SB 61, 192
186.414 SB 61
186.440 HB 553
186.450 SB 61
186.470 SB 61
186.480 SB 61
186.490 SB 61
186.495 SB 61
186.531 SB 61
186.560(1) HB 738
186.565 HB 389; SB 184
186.580 HB 677; SB 43, 61
186.990 SB 153
187 HB 105, 133; SB 42
187.290 HB 194
187.320 HB 105; SB 42
187.330 HB 194, 405
187.490 HB 194
188.030 HB 727
189 HB 201, 484, 681, 725; SB 44, 45, 156, 304
189.040 SB 156
189.040(8) HB 506
189.047 SB 156
189.056 SB 156
189.110 HB 623
189.140 HB 484
189.150 HB 131
189.320 SB 156
189.375 HB 223
189.390 HB 536; SB 80, 156
189.450 SB 156
189.455 SB 153, 230
189.460 SB 156
189.560 SB 125
189.580 HB 105; SB 42
189.659 HB 234
189.990 SB 153
189.993 SB 153
190.180 HB 651
190.190 HB 651
190.200 HB 651
190.210 HB 651
190.220 HB 651
190.240 HB 651
190.250 HB 651
195.010 HB 343
195.020 HB 343
195.030 HB 343
195.040 HB 345
195.050 HB 343
195.060 HB 343
195.090 HB 343
195.100 HB 343
195.110 HB 343
195.150 HB 114
195.160 HB 114
195.180 HB 114
196 SB 382
197.045 SB 149
198 HB 89, 478
199 HB 380
199.011 HB 644
199.335 HB 546
199.380 SB 153
199.390 SB 153
199.400 SB 153
199.430 SB 153
199.540 SB 153
199.570 HB 375
199.600 HB 378
199.605 HB 274
199.640 HB 644

199.670	HB 644
199.820	HB 379
200.140	HB 600
200.150	HB 600
200.160	HB 600
200.170	HB 600
200.180	HB 600
200.190	HB 600
200.200	HB 600
200.210	HB 600
200.220	HB 600
200.230	HB 600
200.240	HB 600
202.020	HB 593
202.135	HB 593
202.137	HB 593
202.139	HB 139
202.208	HB 124
202.215	HB 593
203.505	HB 139
205	HB 247, 266, 429, 544, 731
205.010	HB 343, 429
205.160	HB 343
205.170	HB 343
205.175	HB 429
205.200	HB 343, 396, 429, 558
205.210	HB 48, 73, 429, 436
205.240	HB 343
205.330	HB 343
205.335	HB 343
205.340	HB 343
205.510	HB 171, 533; SB 70
205.540	HB 171, 533; SB 70
205.560	HB 171, 533; SB 70
205.590	HB 171, 533; SB 70
205.600	HB 171, 533; SB 70
205.990	HB 336
208.060	HB 655
208.080	HB 374
208.130	HB 373
208.140	SB 153
208.160	HB 381
208.200	HB 376
208.220	SB 153
208.340	SB 153
208.380	HB 35, 656
208.460	HB 593
210	HB 594
210.150	HB 594
210.270	HB 387
210.290	HB 594
210.410	HB 594
211	HB 252, 253, 277, 382, 589, 672
211.015	HB 415
211.020	HB 415
211.030	HB 415
211.040	HB 415
211.050	HB 415
211.060	HB 415
211.070	HB 415
211.080	HB 415
211.090	HB 415
211.100	HB 415
211.101	HB 415
211.102	HB 415
211.360	HB 566
211.620	HB 566
211.700	HB 568
211.717	HB 399
211.730	HB 384
211.992	HB 384
212.210	HB 612
212.380	SB 124
212.630	SB 153
212.640	SB 116
212.740	SB 153
213.050	HB 375
214	HB 592; SB 193
214.030	HB 688; SB 153, 289
214.170	HB 592
214.180	HB 592
214.330-990	HB 688; SB 289
215	HB 688; SB 289
215.005-069	HB 688; SB 289
215.350	SB 153
216	HB 250, 590, 618, 687
216.160	SB 323
216.430	HB 33
216.440	SB 153
216.800	HB 251
216.813	SB 153
217A	HB 102, 210
217.430	SB 265
217.540	SB 67
217.725	HB 587; SB 274, 358
217.731	HB 587; SB 274
217.735	HB 572
217.741	HB 572; SB 358
217.751	SB 358
217.995	HB 587; SB 274
218.010	HB 587; SB 274
218.080	HB 572
218.090	HB 355, 572
219	HB 588
219.010	HB 377
219.120	HB 588
219.130	HB 588
219.140	HB 588
219.150	HB 588
219.160	HB 588
219.170	HB 588
219.180	HB 588
219.190	HB 588
219.200	HB 588
219.220	HB 588
219.230	HB 588
219.250	HB 588
219.990	HB 588
222	HB 587, SB 274
222.020	HB 587, SB 274
222.110	HB 587, SB 274
222.120-195	HB 587, SB 274
224	HB 293
224.030	HB 370, SB 276
224.340	SB 153
224.420	HB 3
224.450	HB 540, SB 378
227	HB 173, 278, 330, 689, 743
227.320	SB 389
227.400	HB 724

227.450 HB 683
227.485 HB 683
227.990 HB 683
230 HB 564, 691; SB 388
230A HB 283
230.220 HB 691; SB 388
230.260 HB 691; SB 388
230.290 HB 691; SB 388
230.300(2) HB 691; SB 388
230.310 HB 691; SB 388
230.447 SB 153
231.160 HB 314
231.170 HB 314
234 HB 652
235 HB 701
235.010 HB 680
235.020 HB 680
235.030 HB 680
235.050 HB 680
235.060 HB 680
235.070 HB 500, 680
235.080 HB 680
235.090 HB 680
235.100 HB 680
235.110 HB 680
235.130 HB 680
235.150 HB 680
235.170 HB 680
235.190 HB 680
235.200 HB 500, 680
235.210 HB 680
235.220 HB 680
235.250 HB 680
235.260 HB 680
235.270 HB 680
235.280 HB 680
235.290 HB 680
235.310 HB 680
235.320 HB 680
235.330 HB 680
236.020 HB 337, 423
236.030 HB 337
236.040 HB 337, 423
236.060 HB 337, 423
236.110 HB 337, 423
237 HB 32, 391, 524
238 HB 408
241 HB 367
241.010 SB 167
241.260 SB 167
242.270 HB 12
243 HB 326, 368, 463
243.030 HB 324, 341
243.040 HB 324, 341
243.060 HB 406
243.070 HB 341
243.080 HB 341; SB 167
243.100 HB 342
243.140 SB 167.
243.170 HB 342
243.190 SB 167
243.250 SB 295
243.310 SB 295
243.360 SB 167
243.390 HB 342
243.400 SB 167
243.410 SB 167
243.560 HB 489
243.570 HB 489; SB 167
243.720 HB 333; 685
243.730 HB 333
244 HB 477
244.080 HB 595
244.085 HB 595
244.090 HB 342
244.100 HB 304
244.260 SB 167
244.290 HB 349
244.310 SB 295
244.320 HB 304
244.340 SB 167
244.370 HB 47
244.380 HB 427
244.390 HB 427
244.400 HB 427
244.410 HB 427
244.420 HB 427
244.430 HB 427
244.440 HB 427
244.450 HB 427
244.460 HB 427
244.470 HB 427
246 HB 577, 712; SB 169
246.010 SB 169
247.090 SB 90
247.145 HB 464
247.220 HB 311
247.500 SB 153
248 HB 466
249 HB 672
250.240-350 SB 153
251 HB 53, 454
257.010 SB 153
257.020 SB 153
257.990 SB 153
258.005-085 HB 485; SB 267
258.135 HB 510
258.165 SB 153
258.195 HB 634
258.500 SB 153
258.990 HB 485; SB 267
260 HB 411
260.775 HB 711
260.810 HB 711
260.820 HB 711
260.840 HB 711
260.845 HB 711
262 HB 229
262.220 HB 241
262.740 HB 235
262.791 HB 157
266 HB 19
266.100 HB 19
271 HB 487, 514, 638
271.125 HB 514
271.147 SB 280
271.155 HB 514
271.185 HB 514
271.255 HB 514
271.285 HB 550

271.375 HB 514
271.385 HB 638
271.465 HB 514
271.470 HB 514
271.480 HB 514
271.990 HB 664
276.060 HB 357
277 HB 110, 227, 278
277.170 HB 170
277.190 HB 119
277.200 HB 227
277.300 HB 136
278 HB 56, 692
278.010 HB 404
278.020 HB 718
278.040 HB 718
278.485 HB 164
278.570 HB 729
278.580 HB 729
278.990(9) HB 729
278.990(10) HB 729
279.130 HB 351
279.130 HB 351
279.140 HB 351
279.330 HB 632
279.340 HB 632
281 SB 212, 234
281.011 HB 234
281.013 SB 234
281.726 HB 15
281.735 SB 304
281.737 SB 304
281.820 HB 234
287 HB 285, 360, 460, 621
287.020 HB 285
287.030 HB 285
287.060 HB 285
287.065 HB 285
287.100 HB 285
287.197 SB 115
287.215 HB 705
287.290 HB 285
287.300 HB 285
287.480 HB 621
288.420 HB 307
288.440 HB 620
288.530 HB 307
288.560 HB 307
288.570 HB 307
288.580 HB 307
288.590 HB 307
288.620 HB 307
288.650 SB 153
289 HB 279, 289
289.011 HB 279
289.061 HB 174
289.671 HB 497
290.110 HB 88
290.130 HB 88
290.140 HB 88
290.200 HB 88
290.220 HB 88
290.230 HB 88
290.240 HB 88
290.250 HB 88
291.470 HB 395
291.480 HB 395
291.500 HB 395
291.510 HB 395
291.520 HB 395
292 HB 226, 574
292.310 HB 226
292.330 HB 226
292.360 HB 434
292.380 HB 226
292.410 HB 226
292.991 HB 226
295 SB 253
299 HB 141, 199; SB 122
299.310 HB 140, 199; SB 114
300 SB 253
303.010 SB 153, 253
303.020 SB 253
303.030 SB 253
303.040 SB 253
303.050 SB 253
303.060 SB 253
303.070 SB 253
303.080 SB 253
303.090 SB 253
303.160 SB 253
303.170 SB 253
303.180 SB 253
303.190 SB 253
303.200 SB 253
303.210 SB 253
303.220 SB 253
303.230 SB 253
303.240 SB 253
303.310 SB 253
303.320 SB 253
303.330 SB 253
303.340 SB 253
303.250 SB 253
303.360 SB 253
303.370 SB 253
303.380 SB 253
303.390 SB 253
303.400 SB 253
304 HB 29, 184, 530, 684, 695, 698; SB 65, 253
304.018 SB 153
304.110 HB 184
304.411 SB 153
304.412 SB 153
304.460 HB 390
304.463 HB 103
304.525 SB 245
304.534 SB 245
304.545 SB 245
311 HB 424, 606, 607, 700; SB 7, 152
311.250 HB 424
311.352 SB 7
311.354 SB 7
311.356 SB 7
311.420 SB 245
311.450 HB 700
311.550 HB 424
311.560 HB 472

311.570 SB 245
311.595 HB 424
311.600 HB 424
312.115 HB 608
313.010 HB 248; SB 51
313.040 SB 245
313.080 HB 248; SB 51
313.090 SB 245
313.130 HB 248; SB 51
313.220 HB 248; SB 51
313.253 HB 248; SB 51
313.290 SB 245
314 HB 557
314.011 HB 577
315.010 HB 323
315.020 HB 323
315.030 HB 323
315.050 HB 323; SB 245
315.060 HB 323
315.100 HB 323
315.110 HB 323
315.115 HB 323
315.120 HB 323
315.127 HB 323
315.150 HB 323
315.160 HB 323
315.171 HB 323
315.180 HB 323
315.191 HB 323
315.210 HB 323
315.990 HB 323
316.030 SB 245
317.450 SB 265
317.470 SB 265
317.530 SB 76
317.560 SB 76
318A HB 308, 455; SB 373
318.010 SB 191
318.080 SB 153
318.130 HB 653, 694
319.050 HB 693; SB 245
319.071 HB 693
320.250 SB 245
322 HB 63
322.020 HB 63
322.040 HB 63
322.050 HB 63
322.060 HB 63
322.090 HB 63
322.100 HB 63
322.120 HB 63
322.160 HB 63
322.180 HB 63
322.190 HB 63
322.200 HB 63
322.230 HB 63
322.250 HB 63
322.280 HB 63
322.330 HB 63
322.430 HB 63
324.045 SB 245
325 HB 490
325.261 SB 245
326.040 SB 245
327.010 SB 226
327.020 SB 226
327.030 SB 226
327.040 SB 226
327.050 SB 226
327.060 SB 226
327.070 SB 226
327.080 SB 226
328A HB 605, 690; SB 354
329.030 SB 245
330.070 SB 245
332.050 SB 153
336 HB 180, 275, 508
337.010 SB 28
337.020 HB 134, 169
337.070 HB 135
337.210 HB 163
337.505 SB 28
337.510 SB 28
337.515 SB 28
337.520 SB 28
337.522 SB 28
337.525 SB 28
337.530 SB 28
337.550 SB 28
337.990 SB 28
338.010 HB 197
338.070 HB 197
338.080 HB 199
338.090 HB 197
338.100 HB 197
339 HB 186
339.220 HB 545; SB 319
339.240 HB 545; SB 319
339.260 HB 545; SB 319
339.290 HB 545; SB 319
339.320 HB 545; SB 319
339.340 HB 545; SB 319
339.380 HB 545; SB 319
340 HB 578
340.010 HB 578
340.020 HB 578
340.030 HB 578
340.040 HB 578
340.050 HB 578
340.060 HB 578
340.070 HB 578
340.990 HB 578
341.020 HB 334; SB 153
341.030(7) HB 580
341.050 HB 334
341.070 HB 334
341.080 HB 334
341.090 HB 334
341.250 HB 334
341.265 HB 334
341.300 HB 334
341.350 HB 335
341.360 HB 46
341.370 HB 547
341.380 HB 335, 580
341.530 HB 334
341.540 HB 334
342 HB 12, 527; SB 91
342.001 HB 350
342.003 HB 359; SB 182

342.005 HB 68
342.020 HB 67, 80; SB 38
342.025 HB 67; SB 38
342.030 HB 67; SB 38
342.070 HB 298
342.095 HB 298
342.100 HB 298
342.105 HB 67, 561; SB 38
342.110 HB 350, 560
342.111 HB 68
342.115 HB 12
342.120 HB 298
342.121 HB 67; SB 38, 91
342.122 HB 706
342.150 HB 272
342.185 HB 505
342.270 HB 12
342.275 HB 12
342.305 SB 211
342.316 HB 12, 298, 726
342.320 HB 12
342.340 HB 12
342.480 HB 706
344 SB 23
344.010 HB 624
344.020 HB 167
344.040 HB 167, 624
344.050 HB 167
344.060 HB 167, 624
344.070 HB 624
344.080 HB 167, 624
344.100 HB 167, 624
344.110 HB 167, 624
344.140 HB 624
344.150 HB 167
344.310 HB 167
345B HB 509
350 HB 473, 492, 493
350.010 HB 473
350.060 HB 473
350.090 HB 473
350.990 HB 473
351 HB 115, 172, 626; SB 73
351.010 HB 626
351.020 HB 626
351.021 HB 626
351.030 HB 626
351.050 HB 626
351.060 HB 626
351.070 HB 626
351.080 HB 626
351.090 HB 626
351.100 HB 626
351.110 HB 626
351.120 HB 626
351.130 HB 626
351.140 HB 626
351.150 HB 626
351.160 HB 626
351.170 HB 626
351.175 HB 115, 626; SB 73
351.180 HB 626
351.190 HB 626
351.990 HB 626
352 HB 447, 627; SB 281
352.020 SB 281
352.160 HB 627
352.200 HB 627
352.240 HB 627
352.250 HB 627
352.350 HB 627
352.370 HB 627
352.530 HB 627
352.620 HB 627
355 HB 470
355.3-305 HB 470
360 HB 432, 622; SB 93
360.010 HB 218, 461, 518, 622; SB 139
360.020 HB 218, 622; SB 139
360.210-265 HB 622
360.255 SB 153
360.990 HB 218, 622; SB 139
362 SB 172
363 HB 212, 521; SB 86, 197
365 HB 188, 189, 192, 439, 630; SB 92
365.200 SB 153
365.605 HB 104
367 HB 296, 347, 437, 663, 737
368.030 HB 276
371 HB 361
380 HB 159, 190, 708
381 HB 504, 615
381.770 SB 177
382 HB 746; SB 138
382.200 HB 596
382.270 HB 596
382.335 HB 36
383 HB 613
385.021 SB 153
386.020 HB 542
386.030 HB 276
387.180 SB 153
387.280 HB 538
389.040 SB 153
391.030 HB 328, 458
391.090 HB 344
392.020 HB 714
392.080 HB 483
394 HB 221, 675
394.060 HB 675
394.090 HB 675
394.210 HB 675
394.240 HB 675
394.390 HB 675
394.500 HB 675
395 HB 181
395.005 HB 183
395.015 HB 183
395.105 HB 482
395.130 HB 482
395.270 HB 482
395.460 HB 328, 666
396.010 HB 511
396.090 HB 511
399.220 HB 545; SB 319
402 SB 368
402.130 HB 592
402.160 HB 592
402.990 SB 153

403.020	HB 619
405.025	HB 635, 657
406.180	HB 286
408	HB 344
411	HB 112, 168, 193, 222, 431, 715
413	HB 294, 488
413.120(14)	HB 488
413.135	HB 488
413.140	SB 176
416	HB 299; SB 35
416.100	HB 496
416.140	HB 674; SB 351
416.240	HB 496
417	HB 433
417.010	HB 433
417.011	HB 433
417.012	HB 433
417.013	HB 433
417.014	HB 433
417.015	HB 433
417.016	HB 433
417.017	HB 433
417.018	HB 433
417.019	HB 433
417.020	HB 433
417.030	HB 433
417.040	HB 433
421	HB 513
421.020	HB 77
422	HB 431
423	SB 286
424	SB 179
424.220	HB 735
424.230	HB 735
424.340	HB 482
425	HB 318
425.185	HB 318
425.190	HB 318
425.210	HB 318
426.525	HB 87
426.700	HB 90
427	HB 318
427.010	HB 318, 475
427.050	HB 318
427.080	HB 512
431	HB 249, 654; SB 150
431.190	HB 388
432.570	HB 570; SB 290
433.236	HB 499
433.410	HB 729
433.420	HB 729
433.460	HB 51
433.510	HB 729
433.790	HB 729
434	HB 118, 191; SB 94
434.070	HB 287
434.290	HB 741
435	HB 86; SB 140
435.010	HB 96
435.150	HB 582
435.230	HB 71, 532; SB 36
435.240	HB 709
436	HB 297, 604
436.101	HB 254
436.120	SB 153
436.140	HB 729
436.160	HB 6, 91, 177, 225, 297; SB 6
436.360	HB 662
437	SB 32
437.010	SB 32
438	HB 573
439	HB 554, 629
439.080	HB 129
439.175	HB 471, 537; SB 100
439.352	SB 151
439.550	HB 480
441.180	HB 430
441.190	HB 430
453.060	HB 228
454.165	HB 289
454.210	HB 289, 727
454.270	HB 727
Bond Issue	HB 646; SB 359

Sections of the Constituiton proposed to be amended (See Index of Bill History for page reference)

31	HB 28
42	HB 549
91	SB 233
93	SB 233
95	SB 233
99	HB 128
145	HB 257, 280, 640
147	HB 291, 641
160	HB 366
170	HB 147
183	SB 233
226	HB 742
253	HB 27
256	HB 270
258	HB 668
Time vote	HB 585

INDEX

HISTORY OF HOUSE BILLS

Numbers refer to page of House Journal. The text of a bill is given on 1st reading. The names of sponsors are in parentheses; when a bill has more than two sponsors only the first is listed in this history, but all sponsors are listed when a bill is introduced.

HB 1 Exempt certain motor vehicle transfers from the usage tax. (McBrayer and others)
HB 2 Permit income tax deduction for higher education expenses. (McBrayer and others)
HB 3 Increase the Air Pollution Commission membership. (McBrayer and others)
HB 4 Exempt prescription medicine from the sales tax. (McBrayer and others)
HB 5 Appropriate funds to the Legislative Research Commission. (McBrayer)
HB 6 Authorize local regulation of Sunday sales. (Curlin, Wyatt)
HB 7 Create a Kentucky-Ohio Interstate Bridge Commission. (Isler and others)
HB 8 Authorize teachers' retirement contributions for county service credit. (Hinkle)
HB 9 Limit city actions on adverse annexation proceedings. (Chapman)
HB 10 Permit certain city civil service exclusions. (Chapman)
HB 11 Exempt sales of real estate to cities or counties from the transfer tax. (Hinkle)
HB 12 Include black lung as compensable under workmen's compensation. (Allen and others)
HB 13 Require submission of state agency budget estimates to the Legislative Research Commission. (J. Hardin and others)
HB 14 Exempt certain items from the sales tax. (McNamara)
HB 15 Reduce the minimum age for licensure as a chauffeur. (G. White and others)
HB 16 Exempt Kentucky from the Uniform Time Act. (Rickert and others)
HB 17 Increase jurors' pay. (Baker and others)
HB 18 The biennial executive budget. (DeMarcus)
HB 19 Authorize joint county levee districts. (Graves)
HB 20 Authorize income tax credits for aged persons. (Kidd and others)
HB 21 Permit and prohibit certain auxiliary police forces. (Yocom)

		Intro-duced	Re-ferred	Re-ported	Readings 1st	Readings 2nd	Readings 3rd	Amend or concur	Senate Message	En-rolled	Other Action
HB	1	39	64	377	378	488	570	379	745	747	221, 501
HB	2	39	64								
HB	3	40	64	81	81	89	94		499	513	79, 94, 99
HB	4	40	64								
HB	5	40	64	130	130	162	217	132, 217	1105	1112	124, 175, 219, 221
HB	6	40	64								221
HB	7	40	64	285							79, 84
HB	8	41	64								78,
HB	9	41	64								84, 125
HB	10	41	64	135	135	162	206	206,	999	1009	84, 125, 175
HB	11	41	64	1409	1435	1586	1824	1436, 3268	3224	3290	1746, 3305
HB	12	41	64	190	190	217	274	196, 853	569, 801	907	79, 91, 124 171, 231 279, 758
HB	13	63	81	105	105	117	164		569	573	84,123
HB	14	63	81								
HB	15	63	81	88	88	93	112		499	513	34, 111
HB	16	64	81 285	110	110	117					99, 123, 148, 660, 742, 111, 875
HB	17	65	81								147
HB	18	65	81	377	379	488	570	422	745	747	501
HB	19	80	86	183	183	206	232		1167	1266	148, 216, 236
HB	20	80	86								
HB	21	80	86	135	136	162	760	760	3315	3327	93, 125, 216, 506, 740

HB 22 Revise production credit association provisions. (DeMarcus and others)
HB 23 Require financial disclosure by elected officials. (Conn and others)

HB 24 Limit frequency of the motor vehicle usage tax. (Freeman and others)
HB 25 Omit Covington as a community college location. (Roberts and others)

HB 26 Establish a board of regents for Northern State College. (Roberts and others)
HB 27 Propose a constitutional amendment on crop harvest by felons. (Louden)
HB 28 Propose a constitutional amendment on terms of Representatives. (Louden and others)
HB 29 Regulate bail bondsmen. (Carroll and others)

HB 30 Authorize sales tax exemption of certain food purchases. (Freeman, Pollitte)
HB 31 Require certain cities to implement planning legislation. (Wright)
HB 32 Authorize firearms purchases in contiguous states. (Allen and others)
HB 33 Require physicians on duty at certain hospitals. (Salyers and others)
HB 34 Exempt education employees from conflict-of-interest provisions. (Hinkle and others)
HB 35 Grant appeal and bail for adult defendants in juvenile court. (Lewis)
HB 36 Require addresses on real estate title instruments. (Lewis)
HB 37 Authorize bond requirements for water district engineers. (Lewis)
HB 38 Require regular recanvass of voting machines. (Ruh)
HB 39 Exempt military income from the income tax. (Hinkle)
HB 40 Allow deduction of certain federal taxes from the income tax. (Hinkle)
HB 41 Revise the date for county budget submission. (Rickert)
HB 42 Authorize compensation for fiscal court services by justices and magistrates. (Hinkle)
HB 43 Permit a variable tax rebate against income taxes. (Wyatt and others)
HB 44 Cancel conditional use zoning permits if unused. (Mitchell)
HB 45 Permit divorce appeals to the Court of Appeals. (Blume)
HB 46 Grant unemployment benefits to workers idled by labor disputes. (Hughes and others)
HB 47 Authorize manufacture of "light whiskey." (Keene)

HB 48 Exempt certain income from public assistance computation. (West and others)
HB 49 Authorize group insurance for education employees. (Yocom and others)
HB 50 Create a new judicial district for Boyle and Mercer Counties. (Clarke and others)
HB 51 Define the penalty for causing damage by explosion. (Massey)

		Intro-duced	Re-ferred	Re-ported	Readings 1st	Readings 2nd	Readings 3rd	Amend or concur	Senate Message	En-rolled	Other Action
HB	22	80	86	106	106	117	164		679	747	93,147
HB	23	80	86	518, 933	520	587	1154	521,933, 1154			148, 667, 1098
HB	24	80	86								279
HB	25	83	86	175	176	206		177			93,216, 488
HB	26	83	86	175	177	206	275		999	1009	93, 216
HB	27	85	93								
HB	28	85	93								124
HB	29	85	93	533	534	587	744	543, 544, 744, 1396	1389	1494	667
HB	30	85	93								
HB	31	85	93								93, 125
HB	32	86	93	225	228	274	317		879	1000	124, 283
HB	33	86	93								124, 171
HB	34	86	93	225	226	274	590		2376	2382	124, 569
HB	35	86	93	197	197	217	307		3389	3391	147, 231
HB	36	86	93	293	293	315	488	1747	1597	1810	186, 473
HB	37	86	93	270							171
HB	38	92	98								124
HB	39	92	98								
HB	40	92	98								
HB	41	92	98	903	904	1000	1401	904	3372	3390	148, 1294
HB	42	92	98	601							
HB	43	92	98								
HB	44	92	98								125
HB	45	92	98	198							147
HB	46	92	98	136, 660	136	162	761	660	2933	3103	124, 216, 740, 3106
HB	47	96	105	198	198	217	275		569	573	186,231, 279
HB	48	96	105	832	832	908		833			171, 1000
HB	49	96	104	754	755	796	1391		1851	2374	1265
HB	50	96	105	1171	1171	1295	3199	1173	3354	3382	3199
HB	51	96	105								147

HB 52 Revise teachers' retirement provisions. (Allen and others)

HB 53 Require licensing of grain dealers. (Head)
HB 54 Create a new judicial district for Henderson County. (Lindsay)
HB 55 Authorize voting registration at precincts in certain counties. (Wright)
HB 56 Prohibit long distance rates for intra-county calls. (Collins and others)

HB 57 Prohibit sex education and sensitivity training. (Isler)
HB 58 Exempt food purchases from the sales tax. (Isler)
HB 59 Revised teachers' tenure provisions. (Salyers and others)

HB 60 Authorize sabbatical leave for teachers. (Hinkle and others)

HB 61 Authorize personal leave for teachers. (Hinkle and others)

HB 62 Delete the requirement that city councilmen be city freeholders. (Lovins)
HB 63 Revise engineer and land surveyor licensure provisions. (Rickert)
HB 64 Create a Commission on Fire Protection Personnel Standards. (Ray and others)
HB 65 Increase compensation of county officials. (Swinford, McBrayer)

HB 66 Revise the age for school entrance. (Baker and others)
HB 67 Revise workmen's compensation medical assistance provisions. (Blume and others)
HB 68 Authorize benefits for dependents of certain workmen's compensation recipients. (Blume and others)
HB 69 Require lunch and planning periods for teachers. (Siemens and others)
HB 70 Create a judicial district for Boone and Gallatin Counties. (Roberts)
HB 71 Authorize policemen to carry concealed weapons at all times. (Donnermeyer and others).
HB 72 Redefine the value of motor vehicles for usage tax purposes. (Lewis and others)

HB 73 Redefine authorized resources of public assistance recipients. (Allen and others)
HB 74 Enact the Interstate Agreement on Qualification of Educational Personnel. (Allen and others)
HB 75 Exempt military combat pay from the income tax. (Kidd and others)
HB 76 Revise the Higher Education Assistance Authority provisions. (Kidd and others)
HB 77 Increase fees for certain witnesses. (Murphy and others)
HB 78 Provide a death benefit to survivors of police officers. (Murphy and others)

		Introduced	Referred	Reported	Readings 1st	Readings 2nd	Readings 3rd	Amend or concur	Senate Message	Enrolled	Other Action
HB	52	96	104	175, 1021	180	206	1401	181, 1021, 3320	3315	3327	148, 1099, 1294, 3321
HB	53	97	104	159	159	184		161			125, 232
HB	54	97	105	1116	1116	1266		1118			
HB	55	97	104	230	230	274	317				124, 283
HB	56	97	105	718, 1116	1118	1266		1118			759, 1494
HB	57	97	104	1276	1276	1386		1277			2696
HB	58	97	104								
HB	59	97	104	175	181	206	233		3158	3191	148, 216, 236
HB	60	97	104	175	179	206	2652	2652			148,216, 234
HB	61	97	104	906	906	1000	1821	1822, 3329	3327	3334	148,1746, 1856
HB	62	97	104	830	830	908	1031		3390	3391	212, 1000
HB	63	97	104	680	681	757		690			171, 853
HB	64	97	105	270	271	303	1497		3224	3266	124, 171, 589, 1294
HB	65	97	104	728	739	757		739			853, 1389, 2373
HB	66	98	104	576	577	676	799	578	1597	1810	148, 740
HB	67	98	105	136	137	162					124, 175, 316
HB	68	98	105	136	143	162	207		489	495	124, 175
HB	69	98	104								148
HB	70	102	117								
HB	71	102	117	601	614	742	912	615	3224	3266	124, 853
HB	72	102	117	1781	1795	2369	2308	1800	3315	3327	2373, 2665, 2841
HB	73	102	117								
HB	74	102	117	286	287	315	489		2845	2907	148, 473
HB	75	102	117								
HB	76	103	117	718							124, 171
HB	77	103	117	2820	2822	2894					
HB	78	103	117								

HB 79 Establish a salary schedule for property valuation administrators. (Murphy and others)
HB 80 Revise workmen's compensation medical payments provisions. (Swinford)
HB 81 Authorize reapportionment of county commissioner districts. (Swinford)
HB 82 Pay jurors summoned regardless of residence. (Swinford)
HB 83 Require fire department platoons in certain cities. (Graves and others)
HB 84 Exempt firemen's provisions from the income tax. (Graves and others)
HB 85 Prohibit cancellation of policemen's and firemen's motor vehicle insurance in certain cases. (Nett and others)
HB 86 Define the penalty for handling time bombs or booby traps. (Nett and others)
HB 87 Authorize mortgagees to possess abandoned mortgaged property. (Hughes)
HB 88 Revise credit union provisions. (Kidd and others)
HB 89 Establish the Kentucky Housing Fund. (Kidd and others)
HB 90 Require court-ordered sales to be for cash. (Baker)
HB 91 Exempt certain activities from Sunday closing provisions. (Miller and others)
HB 92 Establish a Thoroughbred State Park. (Kenton and others)
HB 93 Authorize political party elections at primary elections. (Curlin and others)
HB 94 Make certain exclusions from public utility gross receipts. (Graves, Carter)
HB 95 Revise the date of certain holiday observances. (Curlin and others)
HB 96 Make murder of a policeman on duty a capital crime. (Lindsay and others)
HB 97 Authorize certain city employees to request pension fund audits. (Lindsay)
HB 98 Authorize title publication of certain city ordinances. (Lindsay)
HB 99 Make certain court orders effective upon signature by the judge pro tem. (Lindsay)
HB 100 Exempt food purchases from the sales tax. (Hughes and others)
HB 101 Authorize absent voting by shut-ins. (Isler and others)
HB 102 Require poultry and rabbit inspection. (Keith, Keene)
HB 103 Deny the fire protection use of the stock insurers' premiums tax proceeds. (Clapp)
HB 104 Repeal the required deposit of Secretary of State fee collections for use of the Secretary of State. (Clapp)
HB 105 Revise motor vehicle accident reporting requirements. (Clapp)

	Intro-duced	Re-ferred	Re-ported	Readings 1st	Readings 2nd	Readings 3rd	Amend or concur	Senate Message	En-rolled	Other Action
HB 79	103	117	1011	1011	1098	1501	1015	3158	3191	1265, 1588
HB 80	103	117	198	199	217	307				186, 231, 311
HB 81	103	117	903	905	1000	1392				1265
HB 82	103	117	293, 1028	294	315	1155		3325	3344	211, 473 1098
HB 83	103	117	300	300	315	866	866			212, 740, 762
HB 84	103	117								
HB 85	103	117	229	229	274		229, 800			212, 740, 801, 866
HB 86	103	117								211
HB 87	103	117	2667	2667	2800	2918	2668	3391		211, 2895, 2932
HB 88	104	117	152, 323	152	184	514	323, 3110	2933	3119	148, 231, 480
HB 89	104	117								
HB 90	104	117	293	294	315	490		1743	1810	212, 473
HB 91	104	117								221
HB 92	104	117	1072	1072	1150	1589	1073, 1589	3336	3350	125, 1265
HB 93	104	117	617	622	742	803				221, 760
HB 94	104	117								
HB 95	115	123	811	812	853		814			221, 907
HB 96	115	123								212
HB 97	116	123								221
HB 98	116	123	879	902	1000	1270				212, 1149
HB 99	116	123	293	295	315	491		1167	1266	211, 473
HB 100	116	122								
HB 101	116	123								124
HB 102	116	122	241	244	303	672		1307	1387	569
HB 103	116	123								221
HB 104	116	122	1781	1782	2369	2809				2665, 2841
HB 105	116	123								221

HB 106 Require vacation days for certain firemen. (Graves and others)
HB 107 Authorize state aid for garbage disposal for certain cities. (Durham and others)
HB 108 Revise the date for primary elections. (W. Davis)
HB 109 Authorize counties to pay the cost of operating water districts. (Baker and others)
HB 110 Prohibit debris along railroad tracks. (Ray and others)
HB 111 Extend certain veterans preferences under the merit system. (Mitchell)
HB 112 Exempt persons rendering emergency aid from civil liability. (Mitchell)
HB 113 Require vote recanvass request notice to candidates. (Kleier and others)
HB 114 Apply provisions on employment of the handicapped to all handicapped persons. (Ruh)
HB 115 Revise mine licensing provisions. (Blume)
HB 116 Revise workmen's compensation provisions. (Blume)
HB 117 Create a Fire Fighters Fund for state pay subsidies. (Ray and others)
HB 118 Enact credit card crime provisions. (McNamara and others)
HB 119 Require railroads to maintain certain crews. (Yocom and others)
HB 120 Increase jurors' pay. (Allen and others)
HB 121 Authorize reduction of property assessments for the aged. (Allen and others)
HB 122 Establish minimum compensation for school bus drivers and janitors. (Allen, Deskins)
HB 123 Require water districts to appoint counsel. (W. Reynolds, May)
HB 124 Authorize travel expense for conveying mental patients. (Freeman)
HB 125 Authorize expense allowance for justices and magistrates. (Curlin, G. White)
HB 126 Grant retirement benefits to certain teachers. (Durham and others)
HB 127 Redefine the organization of the Archives and Records Commission. (Kenton and others)
HB 128 Propose a constitutional amendment on sheriffs' succession. (Carter and others)
HB 129 Increase maximum assessment for costs in certain police courts. (King and others)
HB 130 Define city civil service vacancy apppointment procedures. (King and others)
HB 131 Require covering of certain truck cargoes. (Priddy and others)
HB 132 Permit counties to dispose of unfit dwellings. (King and others)
HB 133 Require financial responsibility for motor vehicle registration. (King and others)
HB 134 Require corporations to pay employees each two weeks. (King)
HB 135 Require employer explanation of wage deductions. (King and others)
HB 136 Define reportable railroad accidents. (King, Donnermeyer)
HB 137 Permit use of room tax proceeds for athletic facilities. (Stuart and others)

	Intro-duced	Re-ferred	Re-ported	Readings 1st	Readings 2nd	Readings 3rd	Amend or concur	Senate Message	En-rolled	Other Action
HB 106	116	123	300	301	315					212, 740
HB 107	116	122								
HB 108	116	123								221
HB 109	116	123	300							
HB 110	120	130								
HB 111	120	130	225	226	274	318		999	1009	221, 283
HB 112	120	129	726	728	757	1100	728			211, 811
HB 113	120	129	1889	1893	2649	2840				221, 2800
HB 114	120	129	481	481	512	595		1851	2374	569
HB 115	121	129								
HB 116	121	129								
HB 117	121	129								
HB 118	121	129	918	918	1028	1156	922			1098
HB 119	121	130								
HB 120	121	129								212
HB 121	121	129								
HB 122	121	129								
HB 123	121	129	903	905	1000	1152		1851	2374	1011, 3276
HB 124	121	129	717	717	757					811
HB 125	121	129	822	822	908	1110	3285	3284	3292	1000, 3305
HB 126	121	129								
HB 127	121	130								
HB 128	121	129								
HB 129	122	129	293	295	315	491	3353	3346	3382	211, 473, 3356
HB 130	122	129	300	301	315	492	3375	3372	3390	212, 473
HB 131	122	130								
HB 132	122	129	728	735	757	867		3325	3334	811
HB 133	122	130								
HB 134	122	130								
HB 135	122	130								
HB 136	122	130								
HB 137	126	162								

HB 138 Revise the boundaries of the 64th and 65th Representative Districts. (King and others)
HB 139 Define the source of mental patient examination fees. (King, Kessinger)
HB 140 Define the hazards covered by assessment and cooperative insurers. (Hinkle, Clarke)
HB 141 Authorize assessment and cooperative insurers to become mutual insureds. (Clarke, Hinkle)
HB 142 Define sick leave for teachers. (Hinkle)

HB 143 Define exemptions from filing inheritance tax returns. (Lindsay)
HB 144 Require election candidates to disclose income sources. (Lindsay)
HB 145 Include broadcast equipment in the definition of manufacturing for tax purposes. (Wright and others)
HB 146 Authorize defense counsel for police and firemen. (Nett and others)
HB 147 Propose a constitutional amendment for homestead exemption. (Kenton and others)

HB 148 Create a judicial district for Graves County. (Graves)

HB 149 Reduce the sales tax to four percent. (Graves)
HB 150 Revise teachers' retirement provisions. (Hinkle and others)
HB 151 Authorize expense payments to certain constables. (Collins and others)
HB 152 Define delinquent tax sales in certain cities. (Wenz and others)
HB 153 Reclassify Wilder. (Donnermeyer and others)
HB 154 Repeal occupational tax exemption for nonresidents of the county. (Yocom and others)
HB 155 Increase county judges' expense allowance. (Mitchell, Durham)
HB 156 Require petition for change in library tax rates. (Mitchell)
HB 157 Define the method for discontinuing watershed districts. (Carter)

HB 158 Authorize referendum on certain school district boundary changes. (Wyatt)

HB 159 Prohibit the practice of debt adjustment. (McBrayer and others)
HB 160 Define the method of filing vacancies caused by death of election candidates. (Curlin, Conn)
HB 161 Authorize free vehicle license plates for certain veterans (Baker and others)
HB 162 Appropriate funds to the University of Louisville. (Nett and others)
HB 163 Establish a state minimum wage. (Yocom and others)
HB 164 Define the terms for removal of certain pipelines. (Allen and others)
HB 165 Define the succession to the office of county judge. (DeMarcus, Baker)
HB 166 Regulate parachute jumping. (DeMarcus, Baker)
HB 167 Prohibit employment discrimination based on age. (Isler)

	Intro-duced	Re-ferred	Re-ported	Readings 1st	Readings 2nd	Readings 3rd	Amend or concur	Senate Message	En-rolled	Other Action
HB 138	126	162								221
HB 139	126	162	293	296	315	589	590			212, 473
HB 140	127	162	623	642	742	804				221, 760
HB 141	127	162	600	600	742	804	601			221, 760
HB 142	127	162	576, 2432	576	676	2849	577, 2432, 3352	3346	3382	811, 2800, 2841, 2850, 3356
HB 143	127	162	822	823	908	1268	824	2666	2835	212, 1149
HB 144	127	162								221
HB 145	127	162	952	952	1028	2853	953	3354	3390	2665
HB 146	127	162								
HB 147	127	162	326, 1519	326	1519	2374		3315	3327	189, 221, 473, 1809, 2373
HB 148	127	162	1116	1118	1266	3114	1120, 3114			2743
HB 149	127	162								
HB 150	127	162	576	581	676	802		1396	1494	740
HB 151	128	162	2797	2797	2894		2797			212
HB 152	128	162	534	552	587	745		2666	2835	667
HB 153	128	162	830	830	908	1269		2834	2835	1149
HB 154	128	162								
HB 155	128	162	728	734	757	867		2845	2907	811
HB 156	128	162								
HB 157	128	162	1585	1744	1809		2372			1744, 2800, 2839
HB 158	128	162	576	579	676	868	868, 3286, 3288	3284	3292	811
HB 159	128	162	293	297	315	1001		3327	3341	221, 569
HB 160	128	162	617	622	742	805				760
HB 161	128	162	1440	1440	1586	1825		3336	3350	1746
HB 162	129	162								
HB 163	149	175	766	768	853	2657	769			2401
HB 164	149	175								
HB 165	149	175	728	731	757	869	733	1307	1387	811
HB 166	149	175	1071	1071	1150	1393				1265
HB 167	149	175								

HB 168 Authorize certain claims for death or injury damages. (Ray)
HB 169 Require weekly payment of hourly employees. (Ray and others)
HB 170 Authorize requirement of railroad crossing gates or flagmen. (Arnett and others)
HB 171 Include optometrists in medical assistance provisions. (Massey and others)
HB 172 Establish a mine inspectors re-examination board. (Siemens and others)
HB 173 Establish qualifications for certain tree trimmers. (Siemens, Yocom)
HB 174 Authorize deposit takers for savings and loan associations. (Hughes)
HB 175 Create area development districts. (DeMarcus and others)
HB 176 Establish a Kentucky Program Development Office. (DeMarcus and others)

HB 177 Repeal the Sunday Closing Law. (Carter and others)
HB 178 Authorize private ambulance service for cities and counties. (Carter)
HB 179 Authorize sales tax levy by cities or counties. (Yocom and others)
HB 180 Authorize collective bargaining by public employees. (Blume and others)
HB 181 Authorize certificates of transfer for real estate passing intestate. (Wenz, Kenton)
HB 182 Authorize certain ex-convicts to serve as peace officers. (Paxton)
HB 183 Authorize certain nonresidents to act as personal representatives. (Baker)
HB 184 Enact the Kentucky Insurance Guaranty Association Act. (Swinford)
HB 185 Revise municipal housing provisions. (Swinford)
HB 186 Authorize employment of minors as golf caddies. (Stuart and others)

HB 187 Revise eminent domain award procedures. (Swinford)

HB 188 Require written application prior to credit card issuance. (Stuart and others)
HB 189 Define and prohibit deceptive trade practices. (Stuart and others)
HB 190 Regulate budget service companies. (Stuart and others)
HB 191 Enact credit card crime provisions. (Stuart and others)
HB 192 Authorize refusal of unsolicited goods. (Stuart and others)
HB 193 Make political subdivisions liable for tort damages. (Wible and others)
HB 194 Revise financial responsibility provisions. (Wible and others)
HB 195 Grant a state pay supplement to policemen. (Ray and others)
HB 196 Redefine the powers of the Council on Public Higher Education. (Yocom and others)
HB 197 Place certain public employees under industrial safety regulations. (Yocom and others)
HB 198 Create a Nonpublic Elementary and Secondary Education Fund. (Keene and others)

	Intro-duced	Re-ferred	Re-ported	Readings 1st	Readings 2nd	Readings 3rd	Amend or concur	Senate Message	En-rolled	Other Action
HB 168	149	175	1116	1120	1266		1121			
HB 169	149	175								
HB 170	150	175								
HB 171	150	175	717							
HB 172	150	175	766	766	853	1002				907
HB 173	150	175								
HB 174	150	175								221
HB 175	150	175	2721	2723	2894		2732			221, 2896
HB 176	150	175	2721, 2908	2742	2894	2929	2748, 2908	3325	3334	221, 2896, 2929, 2932, 2934, 2943
HB 177	150	175	324	324	488					221, 589
HB 178	150	175	506	506	569	673		3315	3327	589
HB 179	150	175								
HB 180	150	175	1044	1044	1150	1592				1404, 1812
HB 181	151	175								
HB 182	151	175	728	730	757	1266	731			1098
HB 183	151	175	293	299	315	493		999	1009	473
HB 184	151	175	623	623	742	869	634			811
HB 185	151	175	481	482	512	595		1266	1299	569
HB 186	151	175	766	769	853	1030	770, 1030	3315	3327	907, 1003
HB 187	151, 3354, 3389	175	534	544	587	745	3347	3346	3391	667, 3356, 3382
HB 188	171	175								
HB 189	171	175								
HB 190	172	175								
HB 191	172	175								
HB 192	172	175	329	329	488	798	798	3294	3310	221, 569
HB 193	173	190								
HB 194	173	190	2446	2446	2800		2447			2895, 2938
HB 195	173	190								
HB 196	173	190								
HB 197	173	190								
HB 198	173	190								

HB 199 Revise assessment and cooperative insurance provisions. (McNamara)
HB 200 Revise the hours for voting. (Kenton)
HB 201 Require slow-moving emblems on certain vehicles. (Rickert and others)

HB 202 Permit voting by persons near polls at closing time. (Isler)
HB 203 Exempt political subdivision purchases from the sales tax. (Isler)
HB 204 Authorize use of state purchasing by political subdivisions. (Murphy and others)
HB 205 Authorize branch offices for court clerks. (Hughes and others)

HB 206 Require public transportation for certain school pupils. (Hughes, Yocom)
HB 207 Require voting machine custody compensation for county clerks. (Durham)
HB 208 Make appropriate amendments relative to the Uniform Code of Military Justice. (Baker)
HB 209 Make private schools eligible for state funds for exceptional children. (Priddy and others)
HB 210 Require poultry and rabbit inspection. (Stuart and others)
HB 211 Authorize circuit judges to hear other judges' cases. (Swinford)
HB 212 Require inspection of grain moisture measuring devices. (Head, Keene)
HB 213 Require a supply of paper ballots at each precinct. (Isler, Mershon)
HB 214 Authorize nonlicensed hunting and fishing by certain disabled or aged persons. (Yocom)
HB 215 Authorize professional negotiations for teachers. (McKinney and others)

HB 216 Create a Kentucky Reapportionment Commission. (Wyatt and others)

HB 217 Authorize special permits for revoked motor vehicle operators. (Kenton and others)
HB 218 Authorize contract interest at greater than the usury limit. (E. Brown and others)
HB 219 Authorize income tax deduction of federal civil service annuities. (Prather and others)
HB 220 Revise county police merit board provisions. (Holloway and others)

HB 221 Make wills revocable by divorce. (Swinford)
HB 222 Permit recovery for marital consortium loss. (Ray and others)
HB 223 Authorize crossing of divided highways by certain school bus riders. (Bruce, Hinkle)
HB 224 Extend social security to school teachers. (Murphy)
HB 225 Repeal the Sunday Closing Law if approved by referendum. (Siemens)

HB 226 Define certain fees for securities registration. (Durham and others)
HB 227 Relieve railroads of highway crossing obstruction responsibility if uncontrollable. (Ray and others)

	Intro-duced	Re-ferred	Re-ported	Readings 1st	Readings 2nd	Readings 3rd	Amend or concur	Senate Message	En-rolled	Other Action
HB 199	173	190								
HB 200	173	190	230							221
HB 201	173	190	285, 532	285	315	746	532	1307	1387	473, 493, 667
HB 202	173	190								
HB 203	173	190								
HB 204	173	190	518	518	587	747	519	2933	3103	667
HB 205	173	190	511	511	569	803	512	1517	1593	667, 748, 762
HB 206	173	190	906, 2432	907	1000	2935	2432	3325	3334	1011, 2895
HB 207	173	190								
HB 208	173	190	329	329	488	591		1396	1494	569
HB 209	173	190	576	586	676	806		3315	3327	760
HB 210	173	190								
HB 211	188	216	726	727	757					853, 1029
HB 212	188	216	241	241	303	474	244	879	1000	315
HB 213	188	216								
HB 214	188	216								
HB 215	188	216	1669	1669	1809	2837	1678, 2838			2800, 2848, 2854
HB 216	188	216	326	327	488	2371	1750			1494, 1750, 2371
HB 217	189	216	918	928	1028	1162	929			513, 1098
HB 218	189	216								
HB 219	189	216	2433	2435	2800	2919	2435, 2919	3372	3390	2895
HB 220	189	216	944	945	1028	1302	3392	3389	3391	1149, 1386, 1387, 3393
HB 221	189	216	726	727	757	870		3315	3327	811
HB 222	189	216	726	726	757	1030	726	3315	3327	1000
HB 223	189	216	832	833	908	1104	834	3224	3266	1000
HB 224	189	216								
HB 225	189	216	324, 757	325	488					221, 589 1149, 3200
HB 226	189	216	770	775	853	1003				907
HB 227	211	216	718	723	757	871		1743	1810	811

HB 228 Require an attorney's fee on certain mortgage foreclosures. (Lindsay)
HB 229 Prohibit strip mining in soil and water districts. (Lindsay)
HB 230 Require per diem and mileage for certain jurors. (DeMarcus, Simmons)
HB 231 Allow an income tax deduction for commuting expenses of the handicapped. (Ruh)
HB 232 Increase survivors' inheritance tax exemptions. (Isler)
HB 233 Revise state purchasing provisions. (DeMarcus, Schmidt)
HB 234 Revise motor carrier excise tax provisions. (DeMarcus, Schmidt)
HB 235 Require staggered terms for watershed conservancy board members. (DeMarcus, Schmidt)
HB 236 Prohibit certain timberland backfires without permission. (DeMarcus, Schmidt)
HB 237 Authorize certain travel allowances for state officials. (DeMarcus, Schmidt)
HB 238 Define penalties for state records retention and administration violations. (DeMarcus, Schmidt)
HB 239 Create a Division of Fiscal Management. (DeMarcus, Schmidt)
HB 240 Create a Division of Electronic Data Processing. (DeMarcus, Schmidt)
HB 241 Revise eligibility requirements for soil and water district voters. (DeMarcus)
HB 242 Define required contents of state land title abstracts. (DeMarcus, Schmidt)
HB 243 Decrease the period during which preceding fiscal year warrants may be drawn. (DeMarcus, Schmidt)
HB 244 Require certain evidence in support of prior-year claims. (DeMarcus, Schmidt)
HB 245 Require notice of property valuation increase by certified mail. (Freeman)
HB 246 Require notice of certain city license increases by certified mail. (Freeman)
HB 247 Establish a minimum special circumstance allowance for the aged. (Allen and others)
HB 248 Require licensure of oral appliance fabricators. (Lewis and others)
HB 249 Prohibit bail pending appeal of certain convictions. (Durham and others)
HB 250 Require approval of Health and Geriatrics Authority actions. (McBrayer)
HB 251 Require Health and Geriatrics Authority spending to conform with state requirements. (McBrayer)
HB 252 Create a Kidney Disease Institute. (Bleemel and others)

	Intro-duced	Re-ferred	Re-ported	Readings 1st	2nd	3rd	Amend or concur	Senate Message	En-rolled	Other Action
HB 228	213	232								
HB 229	213	231								
HB 230	213	232	2457	2475	2800	2911				2895
HB 231	213	231								
HB 232	213	231								
HB 233	213	232	1601	1602	1809	2656	1614, 2656			2400
HB 234	213	232	718	718	757	911		1517	1593	811
HB 235	214	232								
HB 236	214	231	1072	1074	1150	1593				1494
HB 237	214	232	933	942	1028	1160				1098, 1157, 1166
HB 238	214	232								
HB 239	214	232	601, 933	602	742	1104	933			797, 1011
HB 240	214	232	601 1354	601	742	1596	1354			1265, 1494 1595, 1743
HB 241	214	232								
HB 242	214	232								
HB 243	214	232	1251	1253	1295	1504				1404
HB 244	214	232								
HB 245	214	232	728	728	758	872		1743	1810	811
HB 246	214	232								
HB 247	214	232	481	487	512					589
HB 248	215	232								
HB 249	215	232								
HB 250	215	232	832	834	908	1032		3284	3292	1000
HB 251	215	232	716	716	758	1033	716	3284	3292	1000
HB 252	221	231	2433	2436	2800	2919	2439, 2920	3354	3382	2895

HB 253 Appropriate funds to the University of Louisville kidney center. (Bleemel and others)
HB 254 Exempt theater projectionists from obscene matter prosecution. (Blume)
HB 255 Redefine exceptional children for education purposes. (Baker and others)
HB 256 Create a task force on exceptional children. (Baker and others)
HB 257 Propose a constitutional amendment on voting residence. (Blythe and others)
HB 258 Create the Governor's Council of Economic Advisors. (Blythe)
HB 259 Include voters' addresses in comparative signature books. (Blythe, Wheeler)
HB 260 Define the time for compensation review for certain county officers. (DeMarcus and others)
HB 261 Revise the time for delivery of hunting and fishing licenses. (Simmons and others)
HB 262 Authorize additional services for educational television. (DeMarcus, McKinney)
HB 263 Designate the ballot order of certain county offices. (Ruh, Murphy)
HB 264 Grant sheriffs a prisoner maintenance fee. (Blume)
HB 265 Make the office of sheriff liable for acts or omissions. (Blume)
HB 266 Prohibit reduction of certain public assistance grants. (Allen)
HB 267 Require school accident report forms. (Allen)
HB 268 Authorize per diem increase for county boards of education. (Salyers and others)
HB 269 Redefine regular election date. (Isler)
HB 270 Propose a constitutional amendment on submission of amendments. (Osborne, Stuart)
HB 271 Require uniform application of school disaster days. (Hinkle and others)
HB 272 Authorize lump sum workmen's compensation payments. (W. Reynolds and others)
HB 273 Authorize certain military service credit for State Police employment. (Van Horn)
HB 274 Require termination of parental rights of certain illegitimate mothers. (Clapp)
HB 275 Define and limit employment recruitment during labor disputes. (Yocom and others)
HB 276 Authorize certain lenders to qualify as VA mortgagees. (Mitchell)
HB 277 Define lunch programs for the needy aged. (Hughes, Wenz)
HB 278 Restrict the construction of gasoline service stations. (Hughes)
HB 279 Permit savings and loan dividends to be considered interest. (DeMarcus and others)

	Introduced	Referred	Reported	Readings 1st	Readings 2nd	Readings 3rd	Amend or concur	Senate Message	Enrolled	Other Action
HB 253	222	231	1409	1433	1586	1825	3266	3224	3266	1746
HB 254	222	232	680	710	758	872				811
HB 255	222	232	501	501	569	674	503	1167	1266	589
HB 256	222	232	501	503	569	675		1167	1266	589
HB 257	222	232								
HB 258	222	232	1522	1522	1743	2376	1525, 2378			1809
HB 259	222	232	1889	1891	2649	2841				2800
HB 260	223	278	944	945	1028	1157		3390	3391	1098
HB 261	223	278	711	711	758					811
HB 262	223	278	518	523	587	748		3325	3334	667
HB 263	223	278	617	619	742	806		1517	1593	760
HB 264	223	278	903, 2799	903	1000		2799			1150
HB 265	223	278	1136	1136	1266	1506		3389	3391	1294, 1856
HB 266	223	278	714	714	758					2401
HB 267	224	278								
HB 268	224	278								
HB 269	224	278								
HB 270	224	278	1384	1384	1494	1752				1585
HB 271	224	278								
HB 272	224	278	554	554	587					667,1000 1029
HB 273	224	278								
HB 274	224	278								
HB 275	224	278	766	767	853	1151	1151			907
HB 276	224	278	323	323	488	591	324	2819	2835	569
HB 277	224	278								
HB 278	224	278								
HB 279	224	278	1340	1340	1494	1753	1344	3389	3391	1585, 1755

HB 280 Propose a constitutional amendment on voting residence. (Nett and others)
HB 281 Define relocation assistance by the Department of Highways. (DeMarcus and others)
HB 282 Create procedures for presidential preference primary elections. (Nett and others)
HB 283 Create the Kentucky Horse Show Commission. (McCann, Blythe)
HB 284 Permit certain voting re-registration by mail. (Nett and others)
HB 285 Revise provisions on the Department of Banking. (DeMarcus and others)
HB 286 Extend provisions of the Uniform Act on Paternity. (McCann and others)
HB 287 Revise the amount controlling fraudulent check penalties. (McCann and others)
HB 288 Reduce the suspension appealable by certain police and firemen. (Murphy and others)
HB 289 Authorize personal judgments for certain nonresidents. (Rickert, J. Hardin)
HB 290 Authorize payment of election officers for instruction time. (King and others)
HB 291 Propose a constitutional amendment on voting by shut-ins. (Wheeler and others)
HB 292 Remove limits on leaves of absence for school personnel. (Siemens and others)
HB 293 Enact the Interstate Compact on Air Pollution. (Wheeler and others)
HB 294 Require actions within two years of the cause. (King and others)
HB 295 Authorize hospitalization benefits for city and county employees. (King and others)
HB 296 Establish the Business and Consumer Protection Act. (Mitchell and others)
HB 297 Define certain prohibited Sunday sales. (Wible, Blandford)
HB 298 Revise workmen's compensation benefit provisions. (Swinford)
HB 299 Grant eminent domain to certain water associations. (Swinford)
HB 300 Merge Ft. Wright and Lookout Heights. (Ruh)
HB 301 Levy a severance tax on minerals. (Blume, Conn)
HB 302 Increase the cigarette tax. (Blume, Conn)
HB 303 Authorize pedestrian malls in certain cities. (Yocom and others)
HB 304 Permit females to serve and be served alcoholic drinks at bars. (Yocom)
HB 305 Appropriate funds for the Interstate Compact for Education. (Allen, Salyers)
HB 306 Revise provisions on the Council on Public Higher Education. (Conn, Blume)
HB 307 Revise petty loan company loan provisions. (Ray and others)
HB 308 Create a contractors' licensing board. (Carter and others)

	Introduced	Referred	Reported	Readings 1st	Readings 2nd	Readings 3rd	Amend or concur	Senate Message	Enrolled	Other Action
HB 280	224	278								
HB 281	225	278	956	956	1028	1270		2650	2802	1149
HB 282	225	278								
HB 283	225	278	714							
HB 284	225	278	617	617	742	873		2666	2835	811
HB 285	225	278	1894	1902	2649	2842	1913, 2842	3346	3382	2800
HB 286	225	278	832	834	908	1033		3262	3266	1000
HB 287	225	278	1526	1527	1743	2655				1809
HB 288	236	278	830	831	908	1034		2834	2835	1000
HB 289	236	278	1636	1636	1809	2658	1639			2401
HB 290	236	278								
HB 291	236	278								
HB 292	236	278								
HB 293	236	278	601	603	742					1150
HB 294	236	278	1116	1122	1266					2895, 2936
HB 295	236	278	728	729	758	874		3315	3327	811
HB 296	239	282								
HB 297	239	282	324	325	488					581
HB 298	239	282	1310	1311	1494		1314			2401
HB 299	239	282	534	544	587	749		3336	3350	667
HB 300	239	282	506	508	569	673		1105	1112	589
HB 301	239	282								668, 742
HB 302	239	282								
HB 303	240	282	644, 831	644	742	1003	652, 831	2933	3103	569, 758, 907
HB 304	240	282	680	710	757	1006				811
HB 305	240	282	1601	1618	1809					2401
HB 306	240	282								
HB 307	240	282	623	634	742	807		1266	1299	760
HB 308	240	282	1181	1181	1295		1191			

HB 309 Require reflectorized license plates on motor vehicles. (Alexander and others)
HB 310 Increase inheritance tax exemptions for certain survivors. (Prather, Rickert)
HB 311 Permit local fair boards to use state grants for buildings. (Keith, Keene)
HB 312 Grant a homestead tax exemption on improvements. (Isler)
HB 313 Exempt certain motor vehicle transfers from the usage tax. (DeMarcus and others)
HB 314 Repeal theatrical booking-agents licensure provisions. (DeMarcus and others)
HB 315 Revise legal document and process tax provisions. (DeMarcus and others)
HB 316 Exempt prescription medicines from the sales tax. (DeMarcus and others)
HB 317 Revise Department of Revenue provisions. (DeMarcus and others)
HB 318 Revise garnishment provisions. (Lewis)
HB 319 Define water district commissioner appointment procedures. (Kessinger, King)
HB 320 Authorize creation of new community districts. (Kenton and others)
HB 321 Require fixing of aldermen's salaries by ordinance. (Ray)
HB 322 Permit certain medical information on motor vehicle operators licenses. (Pollitte and others)
HB 323 Redefine pharmacists' licensing provisions. (Roberts, Miller)
HB 324 Revise alcoholic beverage license fee provisions. (Huff, DeMarcus)
HB 325 Require a certain registration fee for timber carriers. (Huff)
HB 326 Revise alcoholic beverage licensing provisions. (Huff, DeMarcus)
HB 327 Revise tourist and convention commission provisions. (Blume and others)
HB 328 Make certain estate distribution exemptions. (Lindsay)
HB 329 Require street assessment hearings in certain cities. (Wyatt)
HB 330 Establish safety practices for high voltage line workers. (Siemens and others)
HB 331 Revise certain police judge retirement provisions. (Wheeler, Curlin)
HB 332 Exempt certain tangible personalty from the sales tax. (Lindsay, Carroll)
HB 333 Increase certain alcoholic beverage taxes. (McBrayer and others)
HB 334 Revise unemployment compensation provisions. (DeMarcus and others)
HB 335 Revise unemployment compensation provisions. (DeMarcus and others)
HB 336 Prohibit false statements under medical assistance provisions. (DeMarcus and others)
HB 337 Revise boiler safety provisions. (DeMarcus and others)

	Introduced	Referred	Reported	Readings 1st	Readings 2nd	Readings 3rd	Amend or concur	Senate Message	Enrolled	Other Action
HB 309	240	282	836	836	908	1505	1505	3262	3266	1404, 1588
HB 310	281	315								
HB 311	281	315	711	712	758	1102		2650	2802	1000
HB 312	281	315								
HB 313	281	315								
HB 314	281	315	1181	1191	1295	1505				1404
HB 315	281	315	1222	1226	1295	1594	3390	3390	3391	1494
HB 316	281	315								
HB 317	281	315	956	957	1028	1158	978, 979	2650	2802	1098
HB 318	282	315	1310	1323	1494	1815	1330, 1754	3325	3334	1585, 1820
HB 319	282	315	954	954	1028	1158		3327	3341	1098
HB 320	282	315	660	660	742	913		3262	3266	853
HB 321	282	315	1545	1546	1743	2378		3391	3391	1809, 2382, 2401
HB 322	282	315	1440	1441	1586	1826				1746
HB 323	282	315	1446	1446	1586	1827		3346	3382	1746
HB 324	311	315	1486							473
HB 325	311	315								473
HB 326	311	315	1486							473
HB 327	311	315	506	508	569	743	511	1517	1593	589
HB 328	311	315	1222	1248	1295	1506	1251	3284	3292	1404
HB 329	311	315	644	659	742	807		3306	3310	760
HB 330	311	315								
HB 331	311	315	1116	1123	1266	1497	1124	3306	3310	1294
HB 332	312	315								
HB 333	313	319	377	468	488	572	572, 758	745	797	501, 759
HB 334	313	322								
HB 335	313	322								
HB 336	313	322	1128	1128	1266	1498				1294
HB 337	313	322								

HB 338 Repeal the Health and Welfare Agency provisions. (DeMarcus and others)
HB 339 Appropriate funds to pay claims. (DeMarcus and others)
HB 340 Revise income tax provisions. (DeMarcus and others)
HB 341 Revise alcoholic beverage licensing provisions. (Huff, DeMarcus)
HB 342 Revise alcoholic beverage licensing provisions. (DeMarcus, Huff)
HB 343 Reorganize the Department of Economic Security. (DeMarcus and others)
HB 344 Authorize legitimization of children by certain courts. (DeMarcus and others)
HB 345 Define duties of the Department of Economic Security as to employment security. (DeMarcus and others)
HB 346 Appropriate funds for vocational schools. (Wyatt)
HB 347 Create a Citizens Commission on Consumer Protection. (Rickert)

HB 348 Define property appreciation as assessment addition. (Swinford)
HB 349 Permit Sunday sales of alcoholic beverages. (Schmidt and others)
HB 350 Define workmen's compensation disability provisions. (Freeman, Graves)
HB 351 Exempt utility cooperative bonds from interest rate limits. (Mitchell)
HB 352 Require school shop safety standards. (Mitchell)
HB 353 Require safety glazing for certain doors. (Ruh)
HB 354 Authorize a pension fund property tax in certain cities. (Wible)
HB 355 Require records of certain drug transactions. (Yocom)
HB 356 Allot classroom units for exceptional children. (Yocom)
HB 357 Increase railroad commissioners' pay. (Blandford, Kessinger)

HB 358 Increase the cigarette tax. (Blume, Conn)
HB 359 Redefine employer under workmen's compensation. (Arnett and others)
HB 360 Encourage lending by foreign companies. (Paxton, Pollitte)
HB 361 Permit avoidance of unsolicited contracts. (Pollitte and others)
HB 362 Authorize certain nonlicensed hunting and fishing. (Carter)
HB 363 Increase Rank III teachers' salaries. (Holloway and others)
HB 364 Authorize experimental textbooks. (Holloway and others)

HB 365 Certify certain nonpublic teachers. (Holloway and others)
HB 366 Propose a constitutional amendment on city elections. (Kleier and others)
HB 367 Prohibit alcoholic beverage advertising in educational publications. (Huff, DeMarcus)
HB 368 Prohibit the sale of alcoholic beverages at educational institutions. (Huff, DeMarcus)
HB 369 Authorize para-professional teachers and teacher aides. (Holloway and others)

	Introduced	Referred	Reported	Readings 1st	Readings 2nd	Readings 3rd	Amend or concur	Senate Message	Enrolled	Other Action
HB 338	313	322	1354	1355	1494	1754		3294	3310	1585
HB 339	314	322	1222	1238	1295	1507		3389	3391	1404
HB 340	314	322								
HB 341	314	322	1714	1732	1809		1736			
HB 342	314	322								
HB 343	314	322								
HB 344	314	322	1636	1642	1809	2385				2400
HB 345	314	322								
HB 346	314	322								
HB 347	314	322	1222	1229	1295	1748	1234, 1748			1404
HB 348	314	322								
HB 349	314	322	1669	1678	1809					
HB 350	321	495	1044	1055	1150	1503				1404
HB 351	321	495	1066	1066	1150	1393		3224	3266	1265
HB 352	321	495	1130	1134	1266	1499				1294
HB 353	321	495	933	941	1028	1159	942	3315	3327	1098
HB 354	321	495	879	901	1000					1150
HB 355	321	495								
HB 356	321	495	1409	1434	1586	1828	1434	3224	3266	1746
HB 357	322	495	1409	1437	1586		1437			2401, 2803
HB 358	322	495								
HB 359	322	495								
HB 360	322	495	770	789	853	1102	791	2819	2835	907
HB 361	322	495								
HB 362	322	495								
HB 363	477	495	1018	1019	1098		1021			
HB 364	478	495	754, 1027	756	796	1302	1027	2666	2835	797, 1149
HB 365	478	495	576	578	676	802		1266	1299	740
HB 366	478	495								
HB 367	478	495								
HB 368	478	495								
HB 369	478	495	1021	1021	1098		1026			1294, 3200

HB 370 Increase the membership of the Water Pollution Commission. (W. Reynolds and others)
HB 371 Require examination of certain police and firemen. (Isler)
HB 372 Repeal all sales tax exemptions. (Yocom and others)
HB 373 Require certain standards for child detention facilities. (DeMarcus and others)
HB 374 Require affidavits for certain juvenile court child custody cases. (DeMarcus and others)
HB 375 Require certain information on adoption birth certificates. (DeMarcus and others)
HB 376 Require notification on certain juvenile court hearings. (DeMarcus and others)
HB 377 Exempt certain child care institutions from definition as restaurants. (DeMarcus and others)
HB 378 Permit termination of rights of incapacitated parents. (DeMarcus and others)
HB 379 Increase the membership of the Children's Advisory Council. (DeMarcus and others)
HB 380 Authorize advisory councils for the Department of Child Welfare. (DeMarcus and others)
HB 381 Authorize juvenile court child medical treatment orders. (DeMarcus and others)
HB 382 Prohibit revocation of certain waste disposal permits. (Freeman)
HB 383 Reclassify Auburn. (Dorris, E. Brown)
HB 384 Permit waste disposal violation injunction actions by any person. (Roberts)
HB 385 Repeal certain sales tax exemptions. (Blume)
HB 386 Authorize specified travel reimbursement for certain state officers. (Curlin and others)
HB 387 Authorize private home custody of the mentally ill and retarded. (Curlin)
HB 388 Prohibit prior conviction evidence in certain trials. (Baker, Wyatt)
HB 389 Require implied consent warning by arresting officers. (Baker)
HB 390 Increase certain insurance fees. (Curlin, McBrayer)
HB 391 Require reporting of certain firearms sales. (Conn and others)
HB 392 Exempt political subdivision purchases from the sales tax. (Lindsay, Carroll)
HB 393 Require general practice instruction in medical schools. (Keene and others)
HB 394 Increase the membership of the Professional Practices Commission. (Wright)
HB 395 Revise industrial loan company provisions. (Kenton and others)
HB 396 Include certain needy widows under public assistance. (Collins and others)
HB 397 Require vehicle liability insurance for highway employees. (Louden)

	Intro-duced	Re-ferred	Re-ported	Readings 1st	Readings 2nd	Readings 3rd	Amend or concur	Senate Message	En-rolled	Other Action
HB 370	479	501	933	939	1028	1160		2845	2907	1098
HB 371	479	500	1137	1137	1266	1499				1294
HB 372	479	500								
HB 373	479	500	1693	1693	1809	2386				2400
HB 374	479	500	1693	1694	1809	2387		3390	3391	2400
HB 375	479	500	1693	1695	1809	2657	2657	3391	3391	2400
HB 376	479	500								
HB 377	480	500	2452	2453	2800	2912		3391	3391	2895
HB 378	480	501	853, 1636	1643	1809	2387	1645			2400
HB 379	480	501	1354	1355	1494	1815				1585, 1820
HB 380	480	501								
HB 381	480	501	1128	1129	1266	1500				1294
HB 382	480	500	832	835	908	1034		3315	3327	1000
HB 383	480	500	879	900	1000	1105		2845	2907	1011
HB 384	480	501	1354	1356	1494	1827		3372	3390	1746
HB 385	480	500								
HB 386	496	500	1714	1730	1809					
HB 387	497	500	832	835	908	1035		2650	2802	1000
HB 388	497	501	822	824	908	1399	1399, 3349	3346	3382	1294
HB 389	497	501	822	825	908	1153	828	3336	3350	1098
HB 390	497	500	819	819	908	1036		3315	3327	1000
HB 391	497	500	1044	1044	1150					589, 2401
HB 392	497	500								
HB 393	497	500	1693	1697	1809	2659		3315	3327	2401
HB 394	497	500								
HB 395	497	500	1057	1057	1150	1394				1265, 1299
HB 396	499	518								
HB 397	499	518	757	757	796		757			853

HB 398 Revise Department of Libraries provisions. (DeMarcus)
HB 399 Require permits for certain waste disposal facilities. (Freeman)
HB 400 Allow wage check-off for public employee bargaining organizations. (Curlin)
HB 401 Revise state employee vacation provisions. (Curlin)
HB 402 Revise certain municipal improvement provisions. (E. Brown, Massey)
HB 403 Authorize certain tax credits for adopted children. (Van Horn, Kenton)
HB 404 Include cities in the definition of utilities. (Van Horn)
HB 405 Require fees for vehicle accident investigations. (Van Horn)
HB 406 Establish maximum county alcoholic beverage license fees. (Huff, DeMarcus)
HB 407 Increase coroners' compensation. (Kenton, Mershon)
HB 408 Authorize licensed bingo games. (Donnermeyer and others)
HB 409 Exempt certain new motor vehicles from the usage tax. (Kenton)
HB 410 Prohibit election coercion by certain city employees. (Kenton)
HB 411 Require molasses labeling. (Kenton, Chapman)
HB 412 Establish a school of veterinary medicine. (Kenton)
HB 413 Establish a school of governmental affairs. (Kenton)
HB 414 Authorize establishment of public transit authorities. (Kleier, Blythe)

HB 415 Reorganize the Department of Health. (Blume)
HB 416 Require compensation of utilities relocated by highways. (Blume, Carroll)
HB 417 Extend the jurisdiction of airport boards. (Blume, Carroll)

HB 418 Define the chairmanship of the Judicial Council. (J. Hardin)
HB 419 Define retirement for certain county officials. (Durham)
HB 420 Exempt certain foods from the sales tax. (Carter, Graves)
HB 421 Create a Citizens Conservation and Environmental Council. (Rickert)

HB 422 Require white lines on highway borders. (Freeman)
HB 423 Revise boiler safety provisions. (DeMarcus)
HB 424 Revise medical licensure provisions. (Blume)
HB 425 Define discipline case procedures for Louisville police and firemen. (Hughes and others)
HB 426 Limit structures near airports. (Baker)
HB 427 Repeal alcoholic beverage resale price maintenance provisions. (Conn)
HB 428 Permit fluoridation by water districts with voter approval. (Isler)
HB 429 Create the Community Resources for Employment and Training Efforts office. (DeMarcus and others)
HB 430 Permit fine satisfaction by certain prisoners. (Wible)
HB 431 Make motor vehicle owners liable for damages by others. (Yocom)
HB 432 Limit interest on participation loans. (Freeman)
HB 433 Define certain conditions of arbitration of labor disputes. (Ray)
HB 434 Make securities registration automatic in certain cases. (Curlin)

	Intro-duced	Re-ferred	Re-ported	Readings 1st	Readings 2nd	Readings 3rd	Amend or concur	Senate Message	En-rolled	Other Action
HB 398	499	518	2640	2640	2800	2912		3315	3327	2895, 2942
HB 399	499	518								
HB 400	499	518								
HB 401	499	518	1354	1357	1494	1816				1585, 1820
HB 402	500	518	879	898	1000	1106	2845	2845	2907	1011
HB 403	500	518								
HB 404	500	518								3345
HB 405	500	518								
HB 406	500	518								
HB 407	500	518								
HB 408	515	518	680	690	758	874		1517	1593	811
HB 409	515	518								
HB 410	516	518	1137	1139	1266		1139			
HB 411	516	518								
HB 412	516	518								
HB 413	516	518								
HB 414	516	518	879, 1528	879	1000	1852	1528, 3267	3262	3290	1150, 1746, 3305
HB 415	517	589								
HB 416	517	589	1066	1068	1150	1398		3327	3334	1265
HB 417	517	589	1440	1443	1586	1841	1445, 3375	3372	3390	1746
HB 418	517	589	918	930	1028	1161		3372	3390	1098
HB 419	518	589								
HB 420	518	589								
HB 421	573	589	1409	1410	1586	1844	1421, 1849			1746, 1849, 1856
HB 422	575	668	1520	1521	1743		1521			1808
HB 423	575	668	2721	2752	2894	2915		3325	3334	2905
HB 424	575	668								
HB 425	575	668	1137, 1762	1139	1266	2804	1762			1746, 2401
HB 426	576	668	1251	1254	1295	1508		3284	3292	1404
HB 427	597	668								
HB 428	599	742								
HB 429	599	742	1213	1213	1295	1511		3284	3292	1404, 1597
HB 430	599	743	1116	1125	1266	1751	1125			1585
HB 431	599	743								
HB 432	599	743								
HB 433	600	743	2457	2466	2800	2921				2895
HB 434	600	743	1254	1257	1295	1823				1746

HB 435 Authorize certain cities to annex in adjoining counties. (Curlin, Massey)
HB 436 Authorize social security increment without public assistance reduction. (Huff and others)
HB 437 Prohibit deceptive trade practices. (McBrayer) WITHDRAWN
HB 438 Redefine the Thirty-third and Forty-first Judicial Districts. (J. White)
HB 439 Prohibit unsolicited credit cards. (McBrayer)
HB 440 Permit battery powered boats in certain waters. (Pollitte)
HB 441 Permit military retirement deduction from the income tax. (Blume, Prather)
HB 442 Implement the 1969 agricultural property tax amendment. (Swinford and others)
HB 443 Require re-employment of veterans by public agencies. (Collins and others)
HB 444 Permit construction of school bus turning areas. (Wells)
HB 445 Require tax lien notice filing by certain cities. (Wible)
HB 446 Exempt teachers from jury service during the school term. (Peak)
HB 447 Require certain mines to transport sick or injured workers. (Freeman)
HB 448 Regulate logging operations. (Freeman)
HB 449 Require modification of certain obstructive bridges. (Freeman)
HB 450 Authorize salary increments for certain teachers. (Wells)
HB 451 Authorize certain compensating tax rates for school districts. (Wells and others)
HB 452 Authorize certain compensating tax rates for cities and counties. (Wells and others)
HB 453 Authorize retirement for certain credit union employees. (Kidd)
HB 454 Require licensing of grain dealers. (Head)
HB 455 Require licensing of electricians and electrical contractors. (Wible)
HB 456 Permit occupational license tax levy by certain cities. (Yocom and others)
HB 457 Reclassify Adairville (Dorris, Simmons)
HB 458 Redefine descent and distribution exemptions. (May and others)
HB 459 Exempt certain motor carriers from registration fees. (Knuckles and others)
HB 460 Authorize certain investments by banks. (Swinford and others)
HB 461 Authorize contract interest up to 10 percent on mortgages. (Curlin)
HB 462 Authorize professional negotiations for teachers. (Rickert and others)
HB 463 Authorize special retail drink licenses to certain restaurants. (Keene)
HB 464 Define the regulatory authority of the State Fair Board. (Keene, DeMarcus)
HB 465 Authorize state retirement service credit for military duty. (Baker)
HB 466 Create the Kentucky Tobacco Research Board. (Kenton, Reed)

	Introduced	Referred	Reported	Readings 1st	Readings 2nd	Readings 3rd	Amend or concur	Senate Message	Enrolled	Other Action
HB 435	600	743								
HB 436	600	742	1213	1221	1295	2653				1386, 1404, 2665
HB 437	600	743	1354	1360	1494		1369			1585, 2907
HB 438	600	743								
HB 439	600	743	1478	1478	1586	2653				1746, 2665
HB 440	600	742	2607	2607	2800	2921	2921			2895
HB 441	678	743								
HB 442	750	764	1222	1242	1295	1509	1248, 1509, 3307	3306	3327	1404, 3345
HB 443	679	764								
HB 444	679	764	944	944	1028	1161		3315	3327	1098
HB 445	679	764	2457	2481	2800		2482			2895
HB 446	679	764								
HB 447	679	764	1213	1220	1295	3115	1220			2943
HB 448	680	764								
HB 449	680	764	2721	2757	2894					
HB 450	680	764	1800	1800	2369		1804			1099
HB 451	680	764	1231	1281	1386	1595				1494, 1813, 1597, 1743
HB 452	680	764	1281	1285	1386	1596				1494, 1813, 1597, 3333, 1743
HB 453	680	764	1601	1618	1809	2659	1619	3390	3391	2401, 2665
HB 454	680	764	1072	1077	1150	1398		2845	2907	1265
HB 455	680	764								
HB 456	680	764								
HB 457	680	764	2405	2405	2800	2922		3354	3382	2895
HB 458	680	764								
HB 459	680	764								999
HB 460	680	764	1254	1259	1295	1510	1259	3315	3327	1404
HB 461	750	764								
HB 462	750	764								1856
HB 463	751	764	1669	1679	1809	2660				2401
HB 464	751	764	846	849	908	1036		2650	2802	1000
HB 465	751	764	933	938	1028	1163				1098
HB 466	751	764	1714	1714	1809	2661		3284	3292	2401, 2665

HB 467 Require property revaluation by property valuation administrators. (Kenton and others)
HB 468 Permit recalculation of certain school tax rates. (Lindsay)
HB 469 Permit voter registration actions by deputy county clerks. (Freeman)

HB 470 Authorize certain defenses against a holder in due course. (Freeman)
HB 471 Define parole of misdemeanants. (Lindsay)
HB 472 Permit unlicensed medical intern service. (McCann, Peak)
HB 473 Revise surface mining regulatory provisions. (Lindsay)
HB 474 Define procedure for alternating circuit court sites. (Graves)

HB 475 Add wearing apparel to judgment exemptions. (Hughes)
HB 476 Prohibit airboards from granting exclusive taxicab franchises. (Yocom)
HB 477 Require registration of alcoholic beverage dispensing workers. (Yocom)
HB 478 Establish the Kentucky Housing Corporation. (Kidd)

HB 479 Authorize certain expense additions to delinquent tax bills. (Prather)
HB 480 Authorize costs taxing postponement in certain courts. (Prather)
HB 481 Authorize benefits for survivors of deceased teachers. (Allen)
HB 482 Revise provisions concerning fiduciaries. (May and others)

HB 483 Reduce the time for inherited property releasement. (May and others)
HB 484 Require automobile noise measurement. (Roberts)
HB 485 Require vaccination of carnivorous pets. (Swinford)
HB 486 Delete certain requirements for teachers' disability retirement. (Salyers, Allen)
HB 487 Define resignation procedure for process agents. (Clarke, Rickert)
HB 488 Delay application of the statute of limitations in certain cases. (Clarke)
HB 489 Authorize appeals from Alcoholic Beverage Control Board orders in the circuit court nearest the licensed premises. (Murphy and others)
HB 490 Require licensure of accounting practitioners. (Priddy and others)

HB 491 Revise horse racing pari-mutuel provisions. (Blume, Schmidt)
HB 492 Require property owners' consent for strip mining. (Lindsay)
HB 493 Permit local option on strip mining prohibition. (Lindsay)
HB 494 Grant police powers to fiscal courts. (Lindsay)
HB 495 Authorize salary and expenses for county boards of education. (West and others)
HB 496 Define county condemnation procedures. (Bartley and others)
HB 497 Repeal certain foreign mortgage association requirements. (Blythe, King)
HB 498 Define net property tax assessment growth. (Swinford)
HB 499 Allow merchants to detain suspected shoplifters. (Baker and others)
HB 500 Require certain boat sanitation facilities. (Stuart and others)

HB 501 Increase the retired teachers' benefit multiplier. (H. Brown and others)

	Introduced	Referred	Reported	Readings 1st	Readings 2nd	Readings 3rd	Amend or concur	Senate Message	Enrolled	Other Action
HB 467	751	764								
HB 468	753	810								
HB 469	753	811	1202	1202	1295	2389	2390	3315	3327	1585, 1752, 2372
HB 470	753	810	1254	1256	1295					
HB 471	753	811	2820	2821	2894					2943, 3208
HB 472	753	811								
HB 473	753	810								
HB 474	753	811	1171	1180	1295					1404, 2665, 3266
HB 475	753	811								
HB 476	754	811	1440	1445	1586					
HB 477	754	810								
HB 478	754	810	956	979	1028	1267	2800, 2835	2666	2835	1098, 1271, 1402
HB 479	754	811	1171	1179	1295					1494, 1594
HB 480	754	811	1116	1126	1266	1500		3327	3334	1294
HB 481	754	811								
HB 482	754	811	1171	1173	1295	1592	1176, 1592	3325	3334	1404
HB 483	754	811	918	931	1028	1268				1098
HB 484	754	811								
HB 485	754	811								
HB 486	763	811								
HB 487	763	810	1669	1680	1809	2661				2401, 2665
HB 488	763	811	1636	1645	1809					
HB 489	763	811	2391	2391	2649	2927	2393			2800
HB 490	763	810	1181, 2452	1192	1295	3310	2452, 3311			2401, 3199, 3333
HB 491	763	810	956	998	1028	1164		2650	2802	1098
HB 492	765	819								
HB 493	765	819								
HB 494	765	819								
HB 495	765	819								
HB 496	765	819	2457	2477	2800	2923	2477			2895
HB 497	765	819	1057	1064	1150	1751		3346	3382	1585
HB 498	765	819	1222	1241	1295	1511	1511	3284	3292	1000, 1404
HB 499	814	819	1128	1130	1266		1130			1308
HB 500	814	819	1066	1069	1150	2938	2938	3346	3382	1294, 1400, 2906
HB 501	814	819								

HB 502 Increase civil service board per diem in certain cities. (Miller and others)
HB 503 Authorize cities to condemn industrial structures. (Yocom and others)
HB 504 Require property owners to maintain property in a safe condition. (Priddy)
HB 505 Require workmen's compensation claims within two years. (Lewis)
HB 506 Define flashing lights authorized for vehicles. (Louden)
HB 507 Create a judicial district for Lyon, Trigg and Caldwell Counties. (Lewis)
HB 508 Grant all employees the right of collective bargaining. (Blume)
HB 509 Authorize collective bargaining by firemen. (Ray)
HB 510 Revise the date for dog licensing. (Hinkle)
HB 511 Authorize certain actions by personal representatives. (May and others)
HB 512 Increase the homestead exemption from execution. (May and others)
HB 513 Authorize compensation for state's witnesses in felony trials. (May)
HB 514 Revise corporation provisions. (Lewis, Baker)

HB 515 Increase fees allowed sheriffs for certain services. (Wright, Alexander)
HB 516 Eliminate the sheriffs' duty to visit magistrate's districts for tax collecting. (Durham)
HB 517 Increase sheriffs' tax collection compensation. (Wright, Alexander)
HB 518 Establish a legal rate of interest greater than seven percent. (J. Hardin)
HB 519 Permit only voting members to conduct Council on Public Higher Education business. (Lindsay)
HB 520 Define delinquent property sales in certain cities. (Lindsay)
HB 521 Revise weights and measures provisions. (Keene, Rickert)
HB 522 Increase permitted school tax rates. (Wible and others)
HB 523 Increase local air pollution board membership. (Conn, Blume)
HB 524 Require licensing of firearms. (Blythe) WITHDRAWN
HB 525 Exempt certain public employees from conflict of interest provisions. (Blythe)
HB 526 Establish a law enforcement foundation program. (DeMarcus, McBrayer)
HB 527 Permit chiropractic services under workmen's compensation. (Yocom, Louden)
HB 528 Revise fire protection district provisions. (Carroll, Carter)
HB 529 Authorize group insurance for higher education employees. (Arnett)
HB 530 Require equitable practitioner insurance claim reimbursement. (Murphy, Donnermeyer)
HB 531 Define normal retirement for state employees. (Salyers and others)
HB 532 Define the penalty for carrying concealed weapons. (McCann and others)
HB 533 Include chiropractic services in medical assistance provisions. (Ray)
HB 534 Define active National Guard service. (DeMarcus, Baker)
HB 535 Grant faculty and student trustees voting rights. (Carter and others)
HB 536 Define certain highway speed limits. (Wible)

	Introduced	Referred	Reported	Readings 1st	Readings 2nd	Readings 3rd	Amend or concur	Senate Message	Enrolled	Other Action
HB 502	815	819	1137	1148	1266	3115				2943
HB 503	815	819								
HB 504	815	819								
HB 505	815	819	1171	1176	1295	1823	1177	3389	3391	1746
HB 506	817	1001								
HB 507	817	1001								
HB 508	818	1001								
HB 509	818	1001	1545	1547	1743	2836				2800
HB 510	818	1001	1136	1136	1266					
HB 511	818	1001	2457	2478	2800	2923	2479	3325	3334	2895
HB 512	818	1001	1636	1646	1809	2662				2401, 2665
HB 513	818	1001								
HB 514	818	1001	2457	2483	2800	2924	2595, 3341	3327	3350	2895
HB 515	818	1001	1781	1783	2369					
HB 516	818	1001								
HB 517	818	1001								
HB 518	818	1001								
HB 519	876	1001								
HB 520	876	1001	1171	1177	1295	1512		3372	3390	1404
HB 521	876	1001	1072	1080	1150	1813	3321	3315	3334	1585, 1820
HB 522	876	1001								
HB 523	876	1001	2616	2622	2800	3154				3102, 3157
HB 524	876	1001								2373
HB 525	876	1001								
HB 526	876	1001	2433	2439	2800	2913	2444			2895, 2942
HB 527	878	1001								
HB 528	878	1001	1222	1222	1295	1513	1226			1404, 1812
HB 529	878	1001								
HB 530	878	1001								
HB 531	878	1001								
HB 532	878	1001	1171	1178	1295	1514				1404
HB 533	879	1001								
HB 534	879	1001	1354	1357	1494	1817		3390	3391	1575, 1820
HB 535	879	1001								
HB 536	879	1001								

HB 537 Define parole of misdemeanants. (Kenton)
HB 538 Permit court awarded sums to certain custodians of wards. (May)
HB 539 Create an additional judge for the Ninth Judicial District. (Rickert, Prather)
HB 540 Grant the state air pollution commission concurrent jurisdiction with local commissions. (DeMarcus and others)
HB 541 Increase teachers' retirement benefits. (Allen and others)
HB 542 Authorize certain investments by fiduciaries. (Kleier, Wright)
HB 543 Authorize city-county merger in certain counties. (Peak, McCann)
HB 544 Authorize client information sharing by public agencies. (DeMarcus, Blume)
HB 545 Revise child labor provisions. (DeMarcus, Blume)
HB 546 Redefine child abuse reporting procedures. (DeMarcus, Blume)
HB 547 Redefine unemployment compensation disqualification. (DeMarcus)
HB 548 Allow circuit clerks a percentage of fines and forfeitures. (H. Brown and others)
HB 549 Propose a constitutional amendment on meeting dates of the General Assembly. (Paxton)
HB 550 Prohibit repeal of certain corporate bylaws. (Paxton)
HB 551 Redefine State Personnel Board appointment provisions. (Clarke and others)
HB 552 Require uninsured motorists to pay certain vehicle registration fees. (Freeman)
HB 553 Require driver training for certain motor vehicle operators. (Roberts)
HB 554 Define parole eligibility for various convictions. (Ray)
HB 555 Authorize establishment of community improvement districts. (Blythe, Wyatt)
HB 556 Require school occupation license tax on income from another county. (Lewis)
HB 557 Redefine practical nurse licensing provisions. (Lewis, Parish)
HB 558 Require personal application for public assistance in certain cases. (DeMarcus)
HB 559 Require publication of county reapportionment application. (Lewis)
HB 560 Include functional disfigurement in certain workmen's compensation claims. (Lewis)
HB 561 Authorize additional workmen's compensation for loss of certain body members. (Lewis)
HB 562 Levy an excise tax on newspapers. (Louden and others)

HB 563 Grant a portion of pari-mutuel breaks to the state. (King)
HB 564 Require employment of residents by racetracks. (King)
HB 565 Designate certain wildlife sanctuaries. (Wyatt)
HB 566 Require youthful members of the Commission on Children and Youth. (DeMarcus)
HB 567 Authorize closure of public ways in parks. (DeMarcus)
HB 568 Require solid landfill sites in magisterial districts. (Reed)

	Introduced	Referred	Reported	Readings 1st	Readings 2nd	Readings 3rd	Amend or concur	Senate Message	Enrolled	Other Action
HB 537	879	1001	1636	1646	1809	2804	1647			2401
HB 538	915	1001	1636	1647	1809	2662		3325	3334	2401
HB 539	916	1001								
HB 540	916	1001	2616	2623	2800	2914	2625			2905
HB 541	916	1001								
HB 542	916	1001	1254	1254	1295	1514		3325	3334	1404
HB 543	917	1111	1354	1359	1494	2374	3328	3325	3341	1585
HB 544	917	1111	1877	1887	2649	2844		3354	3382	2800
HB 545	917	1111								
HB 546	917	1111	1446	1454	1586	1844		3294	3310	1746
HB 547	917	1111								
HB 548	917	1111								
HB 549	917	1111								
HB 550	918	1111	2457	2475	2800	2925				2895
HB 551	918	1111	1601	1619	1809	2837				2800, 2848
HB 552	918	1111								
HB 553	999	1111								
HB 554	999	1111								
HB 555	999	1111	2405	2405	2800		2415			2895, 3333
HB 556	999	1111								
HB 557	1006	1111	1669	1681	1809		1681,	1682		2401
HB 558	1006	1111	2892	2893	2905					2943, 3149, 3203
HB 559	1006	1111								
HB 560	1006	1111	1738	1738	1809					
HB 561	1006	1111	1738	1739	1809					
HB 562	1006	1111								1496, 1586, 1743
HB 563	1007	1111								
HB 564	1007	1111								
HB 565	1009	1166	1486	1493	1586					2401
HB 566	1009	1166	1446	1456	1586	1845		3325	3334	1746
HB 567	1009	1166								
HB 568	1010	1166								

HB 569 Grant their regular salaries to teachers on jury duty. (Hinkle)
HB 570 Repeal the prohibition of police radio possession. (Van Horn)
HB 571 Implement the 1969 agricultural property tax amendment. (McCann and others)
HB 572 Revise dangerous drug provisions. (Yocom, Kleier)
HB 573 Define a penalty for slander by practitioners. (Yocom)
HB 574 Require registration of franchisers. (Rickert)
HB 575 Redefine the membership of the University of Kentucky Board of Trustees. (Kenton and others)
HB 576 Establish a salary for certain police judges. (Kenton and others)
HB 577 Establish a Farm Development Authority. (Kenton and others)
HB 578 Create a State Board of Private Employment Services. (Conn and others)
HB 579 Redefine certain property tax rates. (Roberts)
HB 580 Redefine wages for unemployment compensation purposes. (Siemens, Yocom)
HB 581 Reimburse jurors for expenses. (McBride)
HB 582 Define a penalty for illegal transportation of persons. (McCann)
HB 583 Subject college bookstores to the sales tax. (McCann)
HB 584 Increase the cigarette tax. (Collins and others)
HB 585 Require a referendum on daylight saving time. (J. White and others)
HB 586 Redefine certain state employee expense reimbursement provisions. (Clarke, Paxton)
HB 587 Revise alcoholism and dangerous drug provisions. (Prather and others)
HB 588 Revise trailer park licensing requirements. (DeMarcus)
HB 589 Permit salaries of certain health officials to exceed $28,500. (DeMarcus)
HB 590 Require licensing of nursing homes and administrators thereof. (DeMarcus, G. White)
HB 591 Authorize regulation and licensing of radiation sources. (DeMarcus)
HB 592 Revise venereal disease examination and treatment provisions. (DeMarcus)
HB 593 Revise provisions on the commitment of mental incompetents. (DeMarcus)
HB 594 Revise mental health administrative provisions. (DeMarcus)
HB 595 Define an affirmative defense for seling alcoholic beverages to minors. (Yocom)
HB 596 Require county clerks to index certain property instruments. (May)
HB 597 Reduce the number of school districts. (Roberts)
HB 598 Create a State Committee for Publications. (McBrayer)
HB 599 Define status of certain firemen for residence requirements. (Curlin)
HB 600 Authorize establishment of county children's bureaus. (Peak)
HB 601 Increase the minimum foundation guarantee allotment. (Keene, Schmidt)

	Intro-duced	Re-ferred	Re-ported	Readings 1st	Readings 2nd	Readings 3rd	Amend or concur	Senate Message	En-rolled	Other Action
HB 569	1010	1166	2391	2394	2649		2394			
HB 570	1010	1166								
HB 571	1010	1166								
HB 572	1010	1166	1693	1698	1809	2663				2401
HB 573	1010	1166								
HB 574	1010	1166	1894	1901	2649	2850				2800
HB 575	1010	1166								
HB 576	1010	1166	1763	1763	2369	2836		3352, 3391	3391	2665, 2848, 3391
HB 577	1010	1166	1486	1486	1586	2654	1492, 2654	3372	3391	1746, 2654
HB 578	1010	1166	1311	1331	1494	1817	1818			1585
HB 579	1040	1166								
HB 580	1040	1166	1738	1741	1809	3153	1742			2943
HB 581	1042	1273	1409	1438	1586	1845		3294	3310	1746
HB 582	1042	1273								
HB 583	1042	1273	1781	1782	2369	2810	1782	3325	3334	2665, 2841
HB 584	1042	1273								1099
HB 585	1042	1273								
HB 586	1042	1273								
HB 587	1042	1273	1446	1457	1586					1746, 3201
HB 588	1043	1273								
HB 589	1043	1273								
HB 590	1043	1273	1693	1701	1809	2388	1707	3325	3334	2400
HB 591	1043	1273								
HB 592	1043	1273								
HB 593	1043	1273	1831	1831	2369	2811		3315	3327	2665, 2841
HB 594	1043	1273	2616	2625	2800	2913		3315	3327	2895, 2932
HB 595	1043	1273								
HB 596	1043	1273	2457	2474	2800	2926				2895
HB 597	1043	1273	2777	2778	2894					
HB 598	1043	1273	1601	1624	1809	2663				2401
HB 599	1114	1273								
HB 600	1114	1273	1446	1467	1586	1846				1746
HB 601	1115	1275	1409	1439	1586	1847		3336	3350	1746

HB 602 Increase officer's fees for taking depositions. (Lewis)
HB 603 Authorize a state military cemetery. (DeMarcus)
HB 604 Define penalties for exhibiting sored horses. (Kleier)
HB 605 Require licensing of television and radio servicemen. (Kleier)
HB 606 Require graduation from accredited schools for medical licensure. (Curlin)
HB 607 Prohibit use of ionizing radiation on humans by other than physicians. (Curlin)
HB 608 Require physicians' written examination for chiropractic licensure applicants. (Curlin)
HB 609 Permit transfer of securities by nonresident decedents. (Baker, McBrayer)
HB 610 Authorize license tax on athletic admissions in certain counties. (Stuart and others)
HB 611 Require state aid for local parks. (Kenton and others)
HB 612 Require rat control devices by certain property owners. (Kenton and others)
HB 613 Suspend rent payments of occupants of unfit dwellings. (Kenton and others)
HB 614 Increase the number of housing commissioners in certain cities. (Kenton and others)
HB 615 Designate as nuisances open toilets in certain cities. (Kenton and others)
HB 616 Create a Civic and Community Auditorium Fund. (Kenton and others)
HB 617 Exempt certain property improvements from assessment for five years. (Kenton and others)
HB 618 Create the Outpatient Health Facilities Fund. (Kenton and others)
HB 619 Reduce the period of confinement required for divorce from insane spouse. (Clarke)
HB 620 Redefine computation of petty loan company examination fees. (DeMarcus)
HB 621 Revise certain banking fees and closure provisions. (DeMarcus)
HB 622 Authorize interest in excess of seven percent on certain transactions. (DeMarcus)
HB 623 Permit the display of the flag on motor vehicles. (Wright and others)
HB 624 Prohibit discrimination based on sex. (Murphy and others)
HB 625 Create a fund for Department of Law anti-trust action proceeds. (McBrayer)
HB 626 Revise mine safety administrative provisions. (DeMarcus, Massey)
HB 627 Revise mine safety provisions. (DeMarcus, Massey)
HB 628 Require procurement of state employee life insurance on competitive bids. (Kleier, Nett)

	Introduced	Referred	Reported	Readings 1st	Readings 2nd	Readings 3rd	Amend or concur	Senate Message	Enrolled	Other Action
HB 602	1115	1275	2457	2480	2800		2480			
HB 603	1115	1275	1877	1886	2649	2844				2800
HB 604	1115	1275								
HB 605	1115	1275								
HB 606	1115	1275								
HB 607	1115	1275								
HB 608	1115	1275								
HB 609	1116	1275	1894	1899	2649	2851		3346	3382	2800
HB 610	1116	1275	1714	1737	1809		1737			2401, 2808, 2906, 3111
HB 611	1167	1275	1545	1560	1743	2379	1561	3390	3391	1809, 2402
HB 612	1168	1275	1545	1562	1743	2379		3325	3334	1809, 2402
HB 613	1168	1275	1545	1563	1743	2380				1809, 2402
HB 614	1168	1275	1545	1564	1743					
HB 615	1168	1275	1545	1565	1743	2380		3325	3334	1809, 2402
HB 616	1168	1275	1545	1566	1743	2381	2381, 2803			1809, 2402, 2802
HB 617	1168	1275	1545	1571	1743					
HB 618	1168	1275	1545	1573	1743					
HB 619	1168	1275	2856	2856	2905	3118	3118			2943
HB 620	1168	1275	1340	1345	1494	1818				1585
HB 621	1168	1275	1340	1345	1494	1819				1585
HB 622	1168	1275	1340, 2667	1345	1494	2849	2667, 3342	3336	3350	2401, 2800, 2845, 3345
HB 623	1168	1275	1522	1526	1743	2382		3372	3390	1809, 2372, 2402, 2854
HB 624	1169	1275	2391	2394	2649	2851				2800
HB 625	1169	1275	1601	1626	1809					2401, 3202
HB 626	1169	1275								
HB 627	1169	1275								
HB 628	1169	1275								

HB 629 Enact an agreement on detainers. (Lewis)
HB 630 Require total sale price marking of retail commodities. (Clarke)
HB 631 Define urban renewal authority of certain counties. (Kenton)
HB 632 Permit rather than require the term "cooperative" in such utilities names. (Baker)
HB 633 Permit legislators to have offices in their districts. (Kenton, Wyatt)
HB 634 Grant dog wardens the powers of peace officers. (Swinford and others)
HB 635 Make parents criminally as well as civilly liable for damages by minors. (Donnermeyer and others)
HB 636 Grant water districts sewage disposal authority. (Roberts)
HB 637 Grant justices a fee for writ of forcible entry and detainer. (Kenton and others)
HB 638 Revise corporation verification provisions. (Curlin)
HB 639 Permit appeals to circuit courts from certain judgments. (Kenton and others)
HB 640 Propose a constitutional amendment on voting residence. (Swinford)
HB 641 Propose a constitutional amendment on voting in secret. (Wheeler)
HB 642 Authorize city manager government for certain cities of the first class. (Kenton)
HB 643 Revise certain teachers' retirement date provisions. (Kenton)
HB 644 Revise Department of Child Welfare agency licensure provisions. (DeMarcus)
HB 645 Require certain independent school districts to have city boundaries. (Wyatt and others)
HB 646 Propose a state general obligation bond issue. (DeMarcus and others)
HB 647 Include radio dispatchers and technicians in State Police Retirement. (Curlin)
HB 648 Impose a soft drink excise tax. (Simmons)
HB 649 Revise the definition of subdivision for planing purposes. (Rickert)
HB 650 Require reapportionment of county commission districts. (Ruh)
HB 651 Revise mobile home dealers' licensing provisions. (Yocom)
HB 652 Require exhaust fume removal from certain buildings. (Yocom)
HB 653 Authorize the Department of Health to administer the state plumbing code. (J. Hardin and others)
HB 654 Prohibit identification of certain raped females. (DeMarcus, Simmons)
HB 655 Require division of juvenile court proceedings. (DeMarcus)
HB 656 Authorize juvenile court appeals to circuit court. (DeMarcus)
HB 657 Make parents liable in tort actions against minors. (DeMarcus)
HB 658 Authorize certain fees for court reporters. (Massey, Clapp)
HB 659 Define tax equivalent computation by city utilities. (Carter and others)
HB 660 Prohibit local ordinances on firearms regulation. (Salyers)
HB 661 Require General Assembly approval of capital construction. (Lewis)
HB 662 Regulate referral selling. (Lewis)
HB 663 Prohibit prizes as enticements to purchase. (Lewis)

	Introduced	Referred	Reported	Readings 1st	Readings 2nd	Readings 3rd	Amend or concur	Senate Message	Enrolled	Other Action
HB 629	1169	1275	1859	1868	2649	2854				2800
HB 630	1170	1405	1601	1626	1809					2401, 2803
HB 631	1170	1405								
HB 632	1170	1405	2446	2448	2800	2927		3390	3391	2895
HB 633	1170	1405								
HB 634	1170	1405	2667	2669	2800	2926	2670			2895
HB 635	1170	1405								
HB 636	1170	1405								
HB 637	1272	1405	1859	1868	2649					
HB 638	1272	1405	1714	1720	1809	2389		3346	3382	2400
HB 639	1272	1405	2391	2400	2649					2800, 3203
HB 640	1272	1405								
HB 641	1272	1405								
HB 642	1273	1405	1763	1763	2369	2811	3330	3327	3341	2665, 2841
HB 643	1273	1405								
HB 644	1274	1518	2946	2954	3191					
HB 645	1274	1518								
HB 646	1274	1518	1781	1785	2369					1295
HB 647	1274	1518								
HB 648	1274	1518								
HB 649	1274	1518	2856	2858	2905					3102, 3155
HB 650	1274	1518	2797	2797	2894	3116				2943
HB 651	1275	1518	1601	1627	1809					
HB 652	1275	1518	2446	2449	2800	3210				3153
HB 653	1275	1518								
HB 654	1308	1518	1859	1867	2649	2846				2800
HB 655	1308	1518	1859	1866	2649	2847				2800
HB 656	1309	1518	1859	1865	2649	2847				2800
HB 657	1309	1518								
HB 658	1309	1518	2457	2606	2800		2606			
HB 659	1309	1518	1714	1724	1809	2385	2385	3224	3266	2400
HB 660	1310	1598								
HB 661	1310	1598								
HB 662	1310	1598	2457	2464	2800	3112				2895
HB 663	1310	1598	2452	2453	2800					2895, 3203

HB 664 Require corporations to comply with incorporation procedures. (Lewis)
HB 665 Revise certain teacher certification provisions. (Hinkle)
HB 666 Delete requirement of estate letters of administration in certain cases. (May)
HB 667 Permit state agencies to provide space for vending machines for the blind. (Schmidt, Rickert) WITHDRAWN
HB 668 Propose a constitutional amendment on constitutional convention calls. (Roberts)
HB 669 Permit certain state contracts without competitive bidding. (Wyatt and others)
HB 670 Permit supplementation of the county road engineer's salary. (Carter)
HB 671 Prohibit use of state highway rights-of-way without permission. (Carter)
HB 672 Create a Pesticide Review Board. (J. White, Ruh)
HB 673 Authorize home rule for certain cities. (Nett and others)
HB 674 Permit utility facilities along highways. (J. Davis)
HB 675 Require will appointment powers to be specific. (May)
HB 676 Grant state detectives an annual clothing allowance. (DeMarcus)

HB 677 Permit certain appeals of motor vehicle operators license suspensions. (DeMarcus)
HB 678 Authorize per diem to state policemen not in travel status. (DeMarcus)

HB 679 Reorganize partially the Department of Public Safety. (DeMarcus)
HB 680 Revise certain boating provisions. (DeMarcus)
HB 681 Require written reports of certain motor vehicle accidents. (DeMarcus)
HB 682 Revise certain voter registration and purgation provisions. (Schmidt)
HB 683 Require certification of electrical inspectors. (DeMarcus)
HB 684 Revise certain motor vehicle insurance claim procedures. (Massey)
HB 685 Increase malt beverage production tax. (J. White and others)
HB 686 Permit challenge of voters in certain cases. (Knuckles, Collins)
HB 687 Prohibit commercial blood banks. (Ray)
HB 688 Revise tuberculosis hospital and control provisions. (Schmidt and others)
HB 689 Require reporting of certain life and property losses. (DeMarcus)
HB 690 Require licensure of photographers. (Murphy)
HB 691 Revise State Racing Commission provisions. (McCann)
HB 692 Define penalties for pipeline safety violations. (Stuart)

HB 693 Increase psychologists' licensing fees. (Wyatt)
HB 694 Revise state plumbing code standards. (Allen)
HB 695 Prohibit motor vehicle insurers from refusing certain coverage. (Freeman)
HB 696 Limit State Police authority in cities. (DeMarcus)

	Intro-duced	Re-ferred	Re-ported	Readings 1st	Readings 2nd	Readings 3rd	Amend or concur	Senate Message	Senate En-rolled	Other Action
HB 664	1310	1598	2457	2482	2800	2928				2895
HB 665	1310	1598								
HB 666	1386	1598	1859	1863	2649	2852				2800
HB 667	1386	1598								2835
HB 668	1386	1598								
HB 669	1386	1598	1601	1634	1809	2916	3109			2401, 3108, 3110
HB 670	1403	1598								
HB 671	1403	1598	2681	2681	2800	2930				2875
HB 672	1403	1598								
HB 673	1403	1598	2405	2425	2800		2930			2895, 2931
HB 674	1403	1598								
HB 675	1403	1598	1859	1859	2649	2852				2800
HB 676	1403	1598	1781	1793	2369	2812				2665, 2815, 2841
HB 677	1403	1598								
HB 678	1403	1598	1830	1831	2369	2813		3346	3382	2665, 2815, 2841
HB 679	1404	1598	2721	2758	2894	2915		3389	3391	2905
HB 680	1404	1598	2721	2759	2894	2916				2905
HB 681	1404	1598								
HB 682	1407	1601								
HB 683	1407	1601								
HB 684	1407	1601	1894	1895	2649					2800, 3203
HB 685	1407	1601								
HB 686	1407	1601								
HB 687	1518	1601	2616	2632	2800	2942	2942			2895, 2932
HB 688	1518	1601	2616	2633	2800					2895, 3310, 3333
HB 689	1518	1601	2891	2891	2905	3156	2892			3102
HB 690	1518	1601								
HB 691	1520	1601	1669	1682	1809					2401, 3333
HB 692	1520	1601	2888	2890	2905	3113	2890, 3330	3325	3334	2943, 3115
HB 693	1520	1601	2616	2638	2800	2932		3354	3382	2895
HB 694	1597	1601								
HB 695	1597	1601								
HB 696	1597	1601								

HB 697 Permit localities to levy two optional taxes for schools. (Conn and others)
HB 698 Require payment of certain deductible insurance claims. (Blythe)
HB 699 Prohibit release of motor vehicle registration lists for commercial purposes. (Kleier)
HB 700 Require continuing training for podiatrists. (Kleier)
HB 701 Prohibit water pollution by boats. (Conn)
HB 702 Revise teachers' salary scale provisions. (Reed and others)
HB 703 Enact a Uniform Motor Vehicle Certificate of Title Act. (Blythe)
HB 704 Revise the Minimum Foundation Program schedule for Rank IV teachers. (Reed)
HB 705 Delete requirement that installment loan payments be equal. (Massey)
HB 706 Revise certain workmen's compensation provisions. (Collins)
HB 707 Require merger of certain school districts. (McCann)
HB 708 Regulate credit bureaus and reporting thereby. (McCann)
HB 709 Redefine child abandonment provisions. (Kenton)
HB 710 Define salaries for district detectives. (Wible)
HB 711 Require periodic checks of weights and measures devices. (Keene)
HB 712 Appropriate funds for dairy production testing. (Keith and others)
HB 713 Establish a retirement base for police and firemen. (Wheeler and others)
HB 714 Define property disposal for decedents without descendants. (Wheeler)
HB 715 Authorize actions concerning damaged confiscated property. (Blythe)
HB 716 Permit absent teachers to leave deposits with the retirement system. (Baker)
HB 717 Require review of administrative regulations by the Attorney General. (Lewis)
HB 718 Define certain procedures on public utility certificates. (Van Horn)
HB 719 Increase teachers' retirement board membership. (Ray)
HB 720 Permit use of State Police by the Attorney General. (Paxton)
HB 721 Permit purchase of untaxpaid gasoline. (J. Davis, Massey)
HB 722 Create a Constitution Revision Commission. (Roberts)
HB 723 Define certain political party precinct elections. (Roberts)
HB 724 Prohibit persons other than employees from dispensing motor fuels. (Miller, Wheeler)
HB 725 Authorize certain injunctive procedures on motor vehicle weight violations. (Clarke)
HB 726 Delete time limit for workmen's compensation radiation disease claims. (May and others)
HB 727 Revise certain service of process procedures. (Lewis)
HB 728 Authorize a tax on certain motion picture showings. (Blythe)
HB 729 Repeal certain obsolete statutes. (Blythe)
HB 730 Authorize other than teachers' retirement for higher education employees. (Massey)
HB 731 Make certain needy aged eligible for public assistance. (Durham, G. White)

	Introduced	Referred	Reported	Readings 1st	Readings 2nd	Readings 3rd	Amend or concur	Senate Message	Enrolled	Other Action
HB 697	1597	1601	2433	2433	2800	2932	2434			1812, 2895, 2936
HB 698	1597	1601								
HB 699	1598	1601	2667	2670	2800					2895, 3203
HB 700	1598	1601	2869	2869	2905	3156				3102
HB 701	1598	1601								
HB 702	1598	1601	1800	1804	2369					
HB 703	1600	1829								
HB 704	1600	1829								
HB 705	1600	1829	1894	1894	2649	3155	1895			3102, 3157
HB 706	1600	1829								
HB 707	1600	1829	2777	2786	2894					
HB 708	1600	1829								
HB 709	1600	1829	2667	2671	2800	2933				2895
HB 710	1755	1829								
HB 711	1755	1829	2607	2608	2800					2895
HB 712	1755	1829								
HB 713	1755	1829								
HB 714	1756	1829								
HB 715	1756	1829	2721	2770	2894	3117				2943
HB 716	1756	1829								
HB 717	1756	1829	2721	2770	2894					2905, 2920
HB 718	1761	1859								
HB 719	1761	1859								
HB 720	1761	1859								
HB 721	1762	1859	2446	2450	2800	2934				2895
HB 722	1762	1859								
HB 723	1762	1859								
HB 724	1762	1859								
HB 725	1762	1859								
HB 726	1762	1859								
HB 727	1762	1859	2667	2673	2800	2934	2934			2895
HB 728	1829	1859								
HB 729	1829	1859	2820	2820	2894	3117	2821			2943
HB 730	1858	2405								
HB 731	1858	2405								

HB 732 Increase expense allowance for county attorneys. (G. White)
HB 733 Increase certain teachers' salary schedules. (Collins, Wheeler)
HB 734 Require licensing of vending machine operators. (McBrayer)
HB 735 Define procedures on receipts and disbursements by public officers. (Salyers)
HB 736 Increase real estate license fees. (Freeman)
HB 737 Create a Citizens Commission on Consumer Protection. (McBrayer, Mitchell)
HB 738 Require an appeal period for motor vehicle operators license revocation proceedings. (Van Horn)
HB 739 Authorize public defenders and define procedures thereon. (McGill, Siemens)
HB 740 Authorize city-county planning bodies to fill vacancies. (Kenton)
HB 741 Prohibit defraud of motels and hospitals. (G. White)
HB 742 Propose to repeal the constitutional prohibition of lotteries and gift enterprises. (Hughes)
HB 743 Prohibit certain materials lining air ducts in public buildings. (Ray)
HB 744 Define the management of garbage disposal districts. (Freeman)
HB 745 Establish the office of State Curator. (DeMarcus)
HB 746 Authorize county clerks to microphotograph records. (DeMarcus)
HB 747 Define requirements for state depositories. (Prather)

	Introduced	Referred	Reported	Readings 1st	Readings 2nd	Readings 3rd	Amend or concur	Senate Message	Enrolled	Other Action
HB 732	1858	2404								
HB 733	1858	2404								
HB 734	1858	2405								
HB 735	2390	2405								
HB 736	2390	2404								
HB 737	2390	2405	2721	2770	2894	2907	2907, 3356	3346	3390	2905, 2932
HB 738	2391	2405	2856	2857	2905		2858			
HB 739	2404	2721								
HB 740	2719	2721								
HB 741	2720	2895								
HB 742	2720	2894								
HB 743	2820	2895								
HB 744	2820	2895								
HB 745	2820	2895								
HB 746	2855	2906								
HB 747	2855	2906								

HISTORY OF HOUSE RESOLUTIONS

Numbers refer to page of House Journal. The text of a resolution is given on 1st reading or adoption. Joint resolutions are designated **HJR**; concurrent resolutions are designated **HCR.**

HR 1 Authorize a committee to wait upon the Governor. (McBrayer)
HR 2 Invite pastors to open sessions with prayer. (McBrayer)
HR 3 Adopt permanent rules. (McBrayer, DeMarcus)
HJR 4 Appropriate funds to the Legislative Research Commission. (McBrayer)
HR 5 Recognize the achievements of Edgar Allen Diddle. (Durham and others)
HJR 6 Direct a study of statutes governing cities. (Conn and others)
HR 7 Pay tribute to the Jaycees. (J. Davis and others)
HR 8 Adjourn in memory of H. W. "Wathen" Tobin. (McNamara)
HR 9 Honor Clay Wade Bailey. (Ruh)
HCR 10 Urge continuation of tobacco price supports. (Osborne and others)
HCR 11 Direct a study of election laws. (Ruh and others)
HR 12 Salute the Kentucky Civil Liberties Union. (Blume and others)
HR 13 Urge a holiday on January 15 honoring Martin Luther King. (Kidd)
HR 14 Invite John Y. Brown to address the House of Representatives. (Blythe)
HCR 15 Recommend expansion of the naitonal cemetery system. (Mitchell)
HJR 16 Direct a study of tobacco industry expansion. (Kenton, Keene)
HR 17 Urge adoption of certain air pollution standards. (Conn and others)
HR 18 Direct correction of traffic hazards at West Point. (Rickert)
HR 19 Urge a floodwall study for West Point. (Rickert)
HR 20 Direct a study of state contracts involving foreign-made products. (Ruh)
HCR 21 Urge maintenance of burley tobacco allotments. (Reed and others)
HR 22 Commend the Kentucky Federation of Women's Clubs. (Blythe, Conn)
HJR 23 Appropriate funds for Big Bone Lick State Park. (Roberts and others)
HR 24 Direct a study of agricultural products industries. (Kenton and others)
HR 25 Direct a study of circuit court redistricting. (Lindsay, Curlin)
HCR 26 Urge postponement of General Assembly action on daylight time. (Blythe)
HR 27 Direct a study of urban government combination. (Lindsay and others)
HJR 28 Direct a study of state and local tax systems. (Wyatt and others)
HR 29 Salute Centre College. (Clarke, Mitchell)
HR 30 Direct a study of a family court system. (McCann and others)

		Introduced	Referred	Reported	Readings 1st	2nd	3rd	Adopted	Senate Message	Enrolled	Other Action
HR	1	7						7			
HR	2	7						7			
HR	3	8						33			
HJR	4	41	64	145	146	162	208	208	280	280	124, 175
HR	5	64	81	109	109		123	123			99, 123
HJR	6	64	81	87	87	93	113	113			84, 111
HR	7	64	81	109	109		123	123			99, 117
HR	8	86						90			89
HR	9	93	93					111			111
HCR	10	99	99, 104	161	161		209	209		573	125, 175
HCR	11	98	104	147	147		170	170	3315	3327	124, 151
HR	12	98	123, 240								
HR	13	116						118			
HR	14	117	123					124			123
HCR	15	122	130					165			151
HJR	16	122	130	241	241	303	474	474	879	1000	151, 315
HR	17	128	162					167			151
HR	18	128	162					168			151
HR	19	129	162					184			151
HR	20	129	162					170			151
HCR	21	151	173					209			
HR	22	151						163			163
HJR	23	151	175								
HR	24	211	216					219			216
HR	25	215	232					277			240
HCR	26	215	232	2721	2721	2894					2721
HR	27	215	232					308			240
HJR	28	215	231	723	724	758	1301	1301	3315	3327	1149, 3320
HR	29	225	278					309			283
HR	30	225	278					316			283

HR 31 Urge retention of tobacco acreage allotments. (Reed)
HJR 32 Direct a study of General Assembly space. (Wright and others)
HR 33 Direct a study of the needs of aged persons. (Kidd)
HJR 34 Direct a plan for payment of highway tolls. (Carter)
HR 35 Direct a study of income tax credits. (McBrayer)
HJR 36 Request declaration of a period of extraordinary weather for school purposes. (Graves and others)
HR 37 Congratulate the League of Women Voters. (Blume)
HJR 38 Urge first priority for replacement of the C & O Bridge. (Isler, Mershon)
HR 39 Request a Task Force on Education Innovation. (Holloway and others)
HR 40 Declare Boy Scout Week. (Curlin and others)
HJR 41 Request a curriculum on training in state government. (Wright)
HR 42 Honor Earle Combs. (Osborne, Wells)
HCR 43 Endorse construction of Camp Ground Reservoir. (Osborne, Keene)
HR 44 Condemn censorship of religious communications from space. (Huff)
HJR 45 Create the Jefferson County State Park Commission. (Yocom and others)
HCR 46 Adjourn in honor of Abraham Lincoln. (DeMarcus and others)
HR 47 Adjourn in honor of Keen Johnson. (Wells)
HJR 48 Direct a study of the Falmouth Reservoir Project. (Arnett and others)
HR 49 Urge funds for constructing Martin's Fork Reservoir. (Pollitte, Freeman)
HR 50 Recognize the anniversary of Thomas More College. (Isler and others)
HJR 51 Direct award of a Distinguished Service Medal for the National Guard. (Blythe)
HR 52 Request a roadside park in honor of William T. Runner. (Massey)
HR 53 Request certain medical research centers for coal workers. (Haney and others)
HR 54 Request a series of seminars on black lung. (Haney and others)
HJR 55 Reaffirm the intent to make the University of Louisville a state instituiton. (McCann and others)
HJR 56 Direct a study of public education. (Clapp)
HR 57 Request installation of a railroad crossing gate at Royalton. (Allen)
HR 58 Commend the Bourbon County Teachers Association. (Wells and others)
HJR 59 Encourage the study of Kentucky history. (McNamara and others)
HJR 60 Direct a study of city fire department services. (Yocom)
HR 61 Request a lodge at Blue Licks State Park. (Arnett and others)
HR 62 Pay tribute to the Future Farmers of America. (Simmons)
HJR 63 Request a single time zone for Kentucky. (Rickert and others)
HR 64 Congratulate the University of Kentucky basketball team. (Peak and others)

		Introduced	Referred	Reported	Readings 1st	Readings 2nd	Readings 3rd	Adopted	Senate Message	Enrolled	Other Action
HR	31	225						234			
HJR	32	240	282	601	616	742	808	808			617, 760
HR	33	240	282					310			283
HJR	34	282	315								
HR	35	314	322	1781	1794	2369	3314	3314			1150, 3310, 3333
HJR	36	315	322					675			589
HR	37	316	316, 322					474			473
HJR	38	322	495								
HR	39	478	495					592			569
HR	40	497	501					593			569
HJR	41	497	500	754	754	796	914	914			853
HR	42	500						512			
HCR	43	500	518	714	714	758	875	875			811
HR	44	515	518					596			
HJR	45	516	518	846, 1072	847	908	3113	848, 1072			1000, 1037, 2943
HCR	46	575	668					740			667
HR	47	575						587			588
HJR	48	600	742	846	848	908	1389	1389	3325	3341	1000
HR	49	600	743					809			760
HR	50	754	811					914			853
HJR	51	815	819								
HR	52	818	1001					1107			1011
HR	53	818	1001					1108			1011
HR	54	818	1001					1109			1011
HJR	55	818	1001	1130	1131	1266	1502	1502	3315	3327	1294
HJR	56	819	1001	1130	1133	1266					1294
HR	57	909						909			
HR	58	879	909								
HJR	59	879	1001	1601	1601	1809	2807	2807	3325	3334	2665, 2841
HJR	60	918	1111								
HR	61	918	1111					1390			1149
HR	62	918						1039			1011, 1040
HJR	63	1007	1111	1251	1251	1295	1515	1515			1404
HR	64	1010						1028			

HJR	65	Create a Joint Legislaitve Transportation Study Committee. (Schmidt)
HR	66	Object to transfer of portions of the Ohio River to Ohio. (Isler and others)
HR	67	Direct a study of Railroad Commission statutes. (Blume and others)
HJR	68	Define intent as to Road Fund appropriations. (McBrayer, Curlin)
HJR	69	Direct compliance with provisions prohibiting discrimination based on sex. (Yocom)
HCR	70	Direct a study of the office of coroner. (Roberts)
HR	71	Honor Elmer L. Brown. (Wible)
HJR	72	Create a Survey Commission on Public Education. (McBrayer and others)
HCR	73	Urge the requirement that motor vehicle prices include recovery compensation. (Roberts)
HR	74	Congratulate the Western Kentucky University basketball team. (E. Brown and others)
HR	75	Honor Representative Terry McBrayer. (A. Brown)
HCR	76	Name Interstate 75 the "American Legion Memorial Highway." (Schmidt and others)
HR	77	Commend the legislative interns. (Ruh and others)
HR	78	Recognize the first U. S. commercial oil well, in McCreary County. (McBrayer and others)
HCR	79	Invite Ohio Governor James Rhodes to address the General Assembly. (Prather, W. Reynolds)
HR	80	Request free admission for retired teachers at school athletic events. (Knuckles, Collins)
HR	81	Proclaim J. Graham Brown Day. (DeMarcus, Stuart)
HR	82	Urge conservation of the Trade Water River area. (Parish and others)
HCR	83	Declare the independence of the General Assembly. (Ruh)
HR	84	Direct a study of local ad valorem taxes. (Wells)
HR	85	Invite C. W. A. McCann to address the House of Representatives. (Hughes)
HJR	86	Create the Simon Kenton Shrine Commission. (Wenz and others)
HJR	87	Direct payment of certain claims. (Blythe)
HR	88	Congratulate Thomas More College. (Roberts and others)
HR	89	Request a roadside park in memory of Paul E. Young. (Dorris and others)
HCR	90	Direct a study of the economic effects of toll roads. (Keene, DeMarcus)
HJR	91	Create a Kentucky Urban Affairs Council. (Kenton and others)
HR	92	Request a study of long distance charges on intra-county calls. (Durham, Freeman)
HR	93	Request a flashing light on Highway 60 at Mattoon. (McBride)
HR	94	Adjourn in memory of Thomas L. Kirkpatrick. (Paxton)
HR	95	Adjourn in memory of Carl A. Bamberger. (Schmidt and others)

		Introduced	Referred	Reported	Readings 1st	Readings 2nd	Readings 3rd	Adopted	Senate Message	Enrolled	Other Action
HJR	65	1010	1166	1520	1521	1743	2382	2382	3389	3391	1809, 2402
HR	66	1043	1273					2806			2665, 2807, 2841
HR	67	1043	1273					1508			1294
HJR	68	1043	1273	1281	1287	1386					1746, 1825
HJR	69	1044	1273								
HCR	70	1170	1405	1578	1578	1743	2383	2383			1809, 2402
HR	71	1272	1405					1586			1494
HJR	72	1272	1405								
HCR	73	1272	1405								
HR	74	1275						1388			1388
HR	75	1275						1300			
HCR	76	1404	1598								
HR	77	1404						1586			
HR	78	1404						1587			
HCR	79	1404	1598								1746
HR	80	1407	1601								
HR	81	1407						1495			
HR	82	1518	1601					1854			1746
HCR	83	1519	1601					2369			1746, 2373
HR	84	1520	1601					1855			1746
HR	85	1597	1601								
HJR	86	1597	1601	1840	1840	2369	2813	2813	3336	3350	2665, 2841
HJR	87	1598	1601								
HR	88	1600	1829					2839			2800
HR	89	1756	1829					1842			1842
HCR	90	1756	1829	1877	1888	2649	2854	2855	3389	3391	2800
HJR	91	1756	1829								
HR	92	1761						1812			
HR	93	1761						1811			
HR	94	1761						2814			2665, 2841
HR	95	1761						1809			1810

HR 96 Recognize the University of Louisville basketball team. (Blume)
HR 97 Request strict enforcement of homes for the aged provisions. (Durham, G. White)
HR 98 Commend the Kentucky Young Historians Association. (Nett)
HR 99 Urge development progress for eastern Kentucky. (Kenton and others)
HR 100 Recognize and commend the Frankfort Semester Program. (Baker, J. Hardin)
HR 101 Direct a study of private school needs. (Kleier)
HR 102 Commend the Lexington Philharmonic Society. (Kenton and others)
HR 103 Commend the Gates Rubber Company. (Rickert)
HR 104 Order Fayette County and Lexington to cease pollution activity. (Van Horn)
HCR 105 Request a horticultural project for Johnson and Martin Counties. (L. Hardin)
HR 106 Endorse the Lincoln Heritage Trail Foundation. (DeMarcus)
HR 107 Commend the Manchester Center, Inc. (Kenton)
HR 108 Commend the Lexington Soap Box Derby. (Kenton)
HR 109 Direct a study of the preservation of records in the Secretary of State's Office. (Swinford)
HJR 110 Direct a study of pollution by state-owned facilities. (Kenton and others)
HR 111 Proclaim "Hibernian Day." (Kleier and others)
HR 112 Honor Coach Frank Camp. (Lindsay, Stuart)
HR 113 Direct a study of sex education and sensitivity training. (Isler)
HR 114 Honor legislative employees. (Wells and others)
HR 115 Congratulate Kentucky State College. (Curlin and others)
HR 116 Request expeditious construction of Highway 55. (Rattliff and others)
HR 117 Commend the University of Kentucky basketball team. (Carter and others)
HR 118 Commend Jennifer Sue Kimball. (Hughes and others)
HR 119 Request certain tuition fees for community colleges. (Hinkle and others)
HR 120 Urge construction of an athletic stadium in Jefferson County. (Stuart)
HR 121 Request foreign residence waiver for Dr. Pang Ling Man. (Kenton)
HR 122 Extend best wishes to the City of Bellevue. (Donnermeyer and others)
HR 123 Invite the Kentucky State College basketball team to appear before the House of Representatives. (Blythe)
HR 124 Extend gratitude to Representative Dwight Wells. (McNamara)
HR 125 Honor the Breathitt County Bobcats. (R. Reynolds)
HR 126 Congratulate the Council of Neighborhood Organizations of Lexington. (Kenton)
HR 127 Direct a study of the arrangement of school districts. (McCann, Roberts)

		Intro-duced	Re-ferred	Re-ported	Readings 1st	Readings 2nd	Readings 3rd	Adopted	Senate Message	En-rolled	Other Action
HR	96	1858	2405					2815			2665, 2841
HR	97	1858	2405					2816			2665, 2841
HR	98	2391	2405					2817			2665, 2841
HR	99	2391	2405					3202			2665
HR	100	2391	2405					2650			2665
HR	101	2391	2405					2651			2665
HR	102	2404	2721					2818			2841
HR	103	2664	2721					2936			2895
HR	104	2720									3102
HCR	105	2720	2894	2861	2868	2905	3144		3372	3390	2943, 3146
HR	106	2820						2848			2895
HR	107	2820						3198			3102
HR	108	2820						3196			3102
HR	109	2855	2906					3194			3102
HJR	110	2855	2906	3159	3163	3264					
HR	111	2855	2906					3103			3102
HR	112	2855	2906					3197			3102
HR	113	2897						3105			3102
HR	114	2897						3107			3102
HR	115	2944						3195			3102
HR	116	2944						3209			3102
HR	117	2944						3193			3102
HR	118	2946						3104			
HR	119	2946						3110			
HR	120	3157						3192			3199
HR	121	3157						3192			3199
HR	122	3157						3222			3199
HR	123	3265						3265			
HR	124	3275						3276			
HR	125	3294						3294			
HR	126	3305						3322			
HR	127	3305						3324			

HR 128 Commend the Viet Nam Memorial Non-Profit Corporation. (Carroll)
HR 129 Commend Pleasure Ridge Park High School. (Priddy)
HR 130 Honor Speaker Julian Carroll. (Lewis and others)
HR 131 Honor Representative Terry McBrayer. (Lewis, Kenton)
HR 132 Adjourn in honor of Mrs. Mary J. Robb. (Kidd)
HR 133 Commend Hazel Green High School. (Huff)
HR 134 Request adequate roads for the Fishtrap Reservoir Area. (Deskins, May)
HR 135 Request funds for Magoffin County school construction. (Allen)
HR 136 Oppose appearance of William Kunstler at the University of Kentucky. (Knuckles and others)
HR 137 Honor Representative Mae Street Kidd. (Kenton)

		Intro-duced	Re-ferred	Re-ported	Readings 1st	Readings 2nd	Readings 3rd	Adopted	Senate Message	En-rolled	Other Action
HR	128	3305						3323			
HR	129	3324						3324			
HR	130	3388						3389			
HR	131	3389						3389			
HR	132	3386						3386			
HR	133	3350						3351			
HR	134	3386						3388			
HR	135	3384						3385			
HR	136	3382						3384			
HR	137	3385						3385			

HISTORY OF SENATE BILLS

Numbers refer to page of House Journal. The text of a bill is given on first reading.

SB 4 Exempt prescription medicine from the sales tax.
SB 5 Make a General Assembly deficiency appropriation.
SB 6 Exempt certain activities from the Sunday Closing Law.

SB 7 Authorize donation of body parts for medical purposes.
SB 10 Redefine terms of Legislative Audit Committee members.
SB 12 Increase the number of circuit judges for Jefferson County.

SB 15 Require temporary branch voting registration offices in cities of the first class.
SB 18 Require the availability of physicians at certain hospitals.
SB 21 Vest jurisdiction of the Northern Community College in the Northern State College regents.
SB 23 Create a Commission on Women.

SB 24 Establish a judicial district for Henderson County.

SB 28 Revise the prevailing wage law.
SB 30 Increase county officials' compensation.
SB 32 Penalize breach of the peace, riot, rout and unlawful assembly.
SB 34 Exempt certain insurance benefits from the inheritance tax.
SB 35 Revise condemnation provisions.
SB 36 Require a fine for carrying concealed deadly weapons.
SB 38 Revise workmen's compensation medical provisions.

SB 42 Revise motor vehicle accident reporting provisions.
SB 43 Permit appeal of motor vehicle operator's license suspension.
SB 44 Require a red brake light on rear of motor vehicles.

SB 45 Require motor vehicle operators to heed signals by traffic officers.
SB 51 Revise dental licensure provisions.
SB 59 Revise State Police retirement provisions.
SB 61 Require licensing of motorcycle operators in the same manner as for motor vehicle operators.
SB 65 Establish "fair" property insurance and riot reinsurance provisions.
SB 66 Delete requisite attachment of primary and secondary stubs to absent ballots.
SB 67 Prohibit the use of DDT with exceptions.
SB 70 Include optometric services in medical assistance provisions.
SB 73 Revise mine licensing provisions.
SB 76 Revise barber and cosmetology licensing provisions.

		Senate Message	Referred	Reported	1st	Readings 2nd	3rd	Amend or Concur	Enrolled	Other Action
SB	4	120	129	377	470	488	571	472	751	501
SB	5	99	104	145	145	162	208		231	124, 175
SB	6	1266	1405	1913	1914	2649	3151	1916, 3152	3266	2943
SB	7	231	278	2616	2616	2800	3205		3266	2943
SB	10	189	216	791	791	853	1004		1099	907
SB	12	1743, 2650	1829, 2664	3236	3244	3264	3325	3246, 3326	3390	1848, 3310
SB	15	1153, 3306	1275	1889	1889	2649	3273	3273	3334	3199, 3274, 3305, 3309
SB	18	173	190	270, 918	270	303		271		740
SB	21	189	216	286	292	315	489	293	517	473, 488
SB	23	1396	1598	2640	2645	2800	3272		3309	3199, 3274, 3305
SB	24	1400	1598	1756	1756	1809	3145	1758	3200	2943, 3145, 3309
SB	28	277	282	554	554	587	103		1169	1000, 2665
SB	30	879	1001	1408	1408	1586	1847	1409	2374	1746
SB	32	189, 489	501							231
SB	34	277	282	932	932	1028	1164	932	1266	1098
SB	35	489	501	1636	1648	1809	3146		3200	2943
SB	36	231	278	534	553	587	749		800	667
SB	38	120	130	198	200	217	276		477	186, 231, 279
SB	42	173	190	283	283	315				221, 473, 494
SB	43	2845	2906	3182	3182	3264	3373		3394	3310, 3334
SB	44	173	190	283	285	316	493		517	221, 473, 495
SB	45	3262								
SB	51	599	742	1446	1473	1586	1849		2374	1746, 1856
SB	59	189	216	1354	1377	1494	1819		2374	1585
SB	61	277	282	836	837	908	1037		1105	1000
SB	65	303	315	770	770	853	1152		1266	1011
SB	66	489	500	793	793	853	1005		1099	907
SB	67	817	1001	2607	2615	2800	3205		3266	2943
SB	70	1167	1275	1831	1834	2369	3149	3149	3290	2943
SB	73	2650	2664	2861	2862	2905	3211		3266	3153, 3213
SB	76	817	1001	1478	1480	1586	1850		2374	1746

SB 77 Revise election finance reporting provisions.

SB 80 Authorize school boards to establish temporary speed limits.
SB 86 Require octane rating labels on gasoline pumps.
SB 89 Increase fees allowed court clerks.

SB 90 Increase the State Fair Board membership.
SB 91 Define the liability of the workmen's compensation special fund.

SB 92 Limit liability for unauthorized credit card use.
SB 93 Authorize banks to charge 18 percent on revolving credit accounts.

SB 94 Revise credit card crime provisions.
SB 96 Remove the statutory interest ceilings on public obligations.
SB 100 Establish special provisions for parole of misdemeanants.
SB 108 Revise salary provisions for commissioners and receivers.
SB 109 Reduce the minimum age for jurors.
SB 112 Revise utility operation provisions for cities.
SB 114 Revise organization provisions for cooperative insurers.
SB 115 Change the date of observance for certain holidays.
SB 116 Add a nurse to city-county boards of health.
SB 117 Establish the state status of the University of Louisville.

SB 122 Permit cooperative insurers to become mutual insurers.
SB 124 Require a nurse member on certain city-county health boards.
SB 125 Permit designation of unsafe highways at rail crossings.
SB 127 Define certain county roads.
SB 129 Reduce the age for definition of motor vehicles as historical.
SB 132 Authorize pre-filing of legislative bills.
SB 135 Authorize clerical assistants for certain justices.
SB 138 Define recording procedures for instruments with mortgage clauses.
SB 139 Authorize contract interest at higher than the usury rate.
SB 140 Prohibit possession or discharge of firearms or explosives on college campuses.
SB 146 Include absent ballots in documents for which notaries may charge fees.
SB 147 Establish the confidential nature of college academic records.
SB 149 Define the computation of good time for multiple prison sentences.
SB 150 Commit convicted felons to the Department of Corrections.
SB 151 Define the continued sentences of parole violators.
SB 152 Require use of the generic name on drug prescriptions.

SB 153 Reviser of Statutes bill.

SB 156 Define equipment for emergency motor vehicles.

	Senate Message	Referred	Reported	1st	Readings 2nd	3rd	Amend or Concur	Enrolled	Other Action
SB 77	569	589	1202, 3297	1203	1295	3337	3304	3382	1405, 3310
SB 80	2834	2895	3071	3072	3191	3296		3325	3276
SB 86	817	1001							
SB 89	999	1111	1578	1579	1743	3270		3309	3199, 3269, 3305, 3306
SB 90	817	1001	2640	2646	2800				
SB 91	748	764	1311, 2903	1337	1494	3212	2903	3294	1809, 2373, 3153
SB 92	999	1111	1669	1689	1809	3278		3309	3276, 3305
SB 93	1396	1598	2676	2676	2800	3277		3309	3276, 3305, 3306
SB 94	1266	1405	2959	2963	3191	3278		3309	3276, 3309
SB 96	499	518	1254	1260	1295	1515		1744	1404
SB 100	303	315	2959	3042	3191	3373	3043	3391	3310
SB 108	569	589	1116	1126	1266	1502		1744	1294
SB 109	303	315	534	553	587	750		800	667
SB 112	679	764	836	843	908	1038	846	1150	1000
SB 114	679	764	1254	1263	1295	1516		1744	1404
SB 115	569	589	933	936	1028	1389		1512	1098
SB 116	489	500	1446	1477	1586	1851		2374	1746
SB 117	2819	2894	3120, 3297	3120	3191	3331	3128, 3297, 3331	3382	3276, 3310, 3334
SB 122	679	764	1254	1265	1295	1517		1744	1404
SB 124	489	500	1446	1478	1586	1851	1851	2651	1746
SB 125	489	500	1113	1113	1150	1814		2374	1585, 1820
SB 127	2376	2405	3071	3075	3191	3279		3309	3276
SB 129	1597	1601	3190	3190	3264				
SB 132	569	589	933	935	1028	1165		1266	1098
SB 135	2933	2943							
SB 138	817	1001	1636	1654	1809	3146		3200	2943
SB 139	679	764	1057	1064	1150	1304		1393	1265, 1386
SB 140	569	589							
SB 146	569	589	1877	1886	2649	3221		3290	3153
SB 147	569	589	822	828	908	1590	829, 1590	1830	1404
SB 149	679	764	1636	1655	1809	3147		3200	2943
SB 150	1266	1405	1636	1656	1809	3147		3200	2943
SB 151	569	589	1116	1128	1266	1814		2374	1585, 1820
SB 152	999	1111							3112, 3152, 3199
SB 153	1266	1405	2959	2972	3191	3279		3309	3276, 3305, 3306
SB 156	1307	1518	2681	2682	2800	3285	3285	3309	3199

SB 167 Redefine alcoholic beverage licensing provisions.
SB 168 Permit retired teachers to vote for system trustees.
SB 169 Require the licensure of paint sprayers.

SB 172 Establish the Uniform Limited Partnership Act.
SB 176 Exclude the date of the event from limitation of actions provisions.
SB 177 Prohibit nuisances by property owners in all cities.
SB 179 Authorize television and radio publication of legal notices.

SB 180 Create a handicapped persons public buildings use board.
SB 182 Redefine workmen's compensation benefits.
SB 184 Require implied consent warning by investigating officers.

SB 186 Authorize pedestrian malls in certain cities.
SB 188 Revise state and county retirement provisions.
SB 191 Redefine the term plumbing for licensing provisions.
SB 192 Eliminate race identification on motor vehicle operator's licenses.
SB 193 Authorize the treatment of minors for venereal disease.
SB 194 Require teacher supervision in lunchrooms.

SB 195 Increase pay of certain justices.
SB 197 Revise weights and measures provisions.
SB 198 Authorize highway and building contractors to substitute securities in lieu of bond.
SB 201 Merge Ft. Mitchell and So. Ft. Mitchell.
SB 206 Redefine industrial buildings for revenue bond purposes.
SB 207 Designate a county custodian of stolen or lost property.
SB 208 Reclassify Leitchfield.
SB 211 Authorize circuit court filing of workmen's compensation decisions.

SB 212 Authorize issue of motor carrier household goods certificates.
SB 213 Increase library board membership in certain cities.

SB 215 Authorize differentiated salaries for teachers.

SB 216 Authorize textbook experimentation.

SB 221 Redefine the organization of the Department of Commerce.
SB 222 Redefine security for Industrial Development Finance Authority loans.
SB 223 Reclassify Bardstown.

SB 224 Establish local industrial development authorities.
SB 226 Redefine physical therapy licensing provisions.

SB 227 Increase jurors' pay.
SB 228 Authorize para-professional teachers and teacher aides.

	Senate Message	Referred	Reported	Readings 1st	Readings 2nd	Readings 3rd	Amend or Concur	Enrolled	Other Action
SB 167	1389	1598	1877	1882	2649	3203	3203	3290	2943
SB 168	569	589	2777	2787	2894	3216		3290	3153, 3263
SB 169	1307	1518	2452	2454	2800	3272		3309	3199, 3274, 3305
SB 172	879	1001	1636	1656	1809	3148		3200	2943
SB 176	817	1001	1526	1527	1743	2384		2651	1809, 2402
SB 177	1266	1405	2823	2803	2894	3217		3290	3153, 3263
SB 179	569	589	2667	2668	2800	3273	2669	3325	3199, 3274, 3305
SB 180	679	764	1354	1382	1494	1820		2374	1585
SB 182	999	1111	1913	1913	2649				
SB 184	2666	2721	2959	2959	3191	3280		3309	3276, 3305, 3306
SB 186	999	1111	2823	2824	2894				
SB 188	1743	1829	3088	3088	3191	3280		3309	3276, 3305
SB 191	999	1111	1669	1691	1809	3148		3200	2943
SB 192	999	1111	2820	2822	2894	3217		3290	3153, 3263
SB 193	817	1001	2616	2621	2800	3208		3266	2943, 3213
SB 194	1307	1518	2777	2788	2894	3218		3290	3153, 3263, 3265
SB 195	1597	1601	3120	3136	3191	3281		3309	3276, 3305
SB 197	679	764	846	850	908	1038		1105	1000
SB 198	679	764	933	934	1028	1303		1393	1149
SB 201	748	764	1137	1149	1266	1503		1588	1294
SB 206	817	1001	1340	1349	1494	1821		2374	1585
SB 207	1743	1829	2959	3043	3191	3281	3045	3325	3276, 3305
SB 208	748	764	1545	1546	1743	2384		2651	1809, 2402
SB 211	2650	2664	3119	3120	3191	3282		3309	2803, 3276, 3305
SB 212	999	1111	1440	1446	1586	1853		2374	1746, 2401
SB 213	999	1111	2823	2831	2894	3268		3309	3153, 3265, 3305
SB 215	1743	1829	2777	2789	2894	3218		3266	3153, 3263, 3265
SB 216	1167	1275	2777	2791	2894				3153, 3218, 3265
SB 221	1743	1829	3088	3092	3191	3283		3309	3276, 3306
SB 222	1743	1829	3088	3095	3191	3314		3334	3310, 3334
SB 223	748	764	2823	2833	2894	3219		3266	3153, 3263, 3265
SB 224	2936	2943	3236	3236	3264	3340	3243	3390	3310
SB 226	1749	1829	2869	2872	2905	3275		3309	3199, 3276, 3305
SB 227	2650	2664	3225	3225	3264	3334	3226	3382	3310, 3345
SB 228	1389	1598	2777	2792	2894	3201		3266	3153, 3200

SB 230 Require special vehicle registration for the handicapped.
SB 231 Remove school district property tax limit of 1965.
SB 232 Remove requirement that State Board of Education secretary be employed by the Department of Education.
SB 233 Propose a constitutional amendment making the Superintendent of Public Instruction appointive.
SB 234 Establish tour bus certificates for such vehicles.

SB 241 Define source of compensation for special local peace officers.
SB 245 Reduce the minimum age for licensure in certain occupations.
SB 252 Include certain partnership property as subject to inheritance tax.
SB 253 Revise the state insurance code.

SB 257 Authorize maintenance of public records by computer.

SB 259 Implement the 1969 property tax amendment.
SB 261 Authorize public defenders for indigent defendants.
SB 265 Increase barbers' license fees.
SB 266 Authorize certain changes in the form of municipal government.
SB 267 Require vaccination of carnivorous pets.
SB 268 Authorize cities and counties to undertake conservation measures.
SB 269 Establish a Kentucky wild rivers system.

SB 274 Revise provisions on alcohol and drug abuse.

SB 275 Authorize absent voting registration by servicemen.
SB 276 Increase the membership of the Water Pollution Control Commission.

SB 280 Require at least one manual signature on corporate obligations.
SB 281 Prohibit mining employment of workers with pulmonary diseases.
SB 283 Establish a Kentucky Historical Events Celebration Commission.
SB 284 Increase pay of Commonwealth's attorneys.

SB 285 Revise pay of court reporters in certain counties.
SB 286 Adopt the Uniform Recognition of Acknowledgements Act.
SB 288 Authorize magistrates to hold court at the courthouse.
SB 289 Reorganize the administration of tuberculosis hospitals.

SB 290 Authorize additional peace officers to use police radios.
SB 291 Authorize certain counties to supplement jury commissioners' pay.
SB 293 Increase the distance from the courthouse for location of a temporary courthouse.
SB 294 Authorize branch offices for certain county officers.
SB 295 Authorize wine sales in small containers.
SB 298 Authorize revenue bonds for local school construction.
SB 303 Authorize cities to condemn commercial or industrial structures.

	Senate Message	Referred	Reported	Readings 1st	Readings 2nd	Readings 3rd	Amend or Concur	Enrolled	Other Action
SB 230	1307	1518	2640	2648	2800	3211	2649	3290	3153, 3213
SB 231	1266	1405	3076	3080	3191	3283	3087	3334	3276
SB 232	1307	1518							
SB 233	2854	2906							
SB 234	2650, 3325	2665	3163	3164	3264	3315	3315, 3328	3390	3310, 3334
SB 241	1743	1829	2721	2776	2894	3219		3266	3153, 3263
SB 245	1105	1273	3048	3048	3191	3284		3309	3276, 3305
SB 252	2650	2664	2903	2904	3103	3223		3290	3199
SB 253	1275	1518	1916	1917	2649	3215	2365	3294	3153, 3263, 3264
SB 257	1597	1601	3088	3096	3191	3287		3309	3263, 3276, 3306
SB 259	1597	1601	2433	2445	2800	3206		3266	2943
SB 261	1743	1829	2457	2457	2800	3207		3266	2943
SB 265	1105	1273	1478	1482	1586	1853		2374	1746, 1856
SB 266	1851	1859							
SB 267	1396	1598	2861	2863	2905	3213	2868	3266	3153
SB 268	1400	1598							
SB 269	3158, 3390	3158	3163	3165	3264	3376	3376, 3377		3310, 3391
SB 274	1813	1859	2869	2878	2905	3201		3266	3102, 3201, 3213, 3264
SB 275	1167	1275	3045	3045	3191	3288		3309	3276
SB 276	1266, 3393	1405	2869	2870	2905	3378	3379, 3381		3153, 3333
SB 280	2376	2405	2959	2962	3191	3288		3309	3276
SB 281	1517	1601	2946	2946	3191				
SB 283	1396	1598	1877	1879	2649	3204		3266	2943
SB 284	2666	2721	2891	2891	2905	3276		3309	3199, 3305, 3309
SB 285	1517	1601	1859	1876	2649	3266		3309	3153, 3305
SB 286	2936	2943	3236	3246	3264	3318		3334	3310, 3334
SB 288	1743	1829	2797	2798	2894	3220		3290	3153
SB 289	2834	2895	2946	2949	3191	3338	3338	3382	3310, 3334, 3345
SB 290	1396	1598	1877	1878	2649	3204		3266	2943
SB 291	1517	1601	2959	2963	3191	3289		3309	3276
SB 293	2819	2894							
SB 294	1851	1859	2902	2902	3103	3269		3309	3199, 3305
SB 295	2854	2906	3048	3064	3191	3289		3309	3276
SB 298	2834	2894	2897	2898	3103	3223		3290	3199, 3263
SB 303	1517	1601	1763	1775	2369	3214		3266	2943, 3263

SB 304 Revise motor bus regulatory provisions.
SB 305 Place faculty and student members on community college advisory boards.
SB 309 Increase the membership of certain local air pollution control boards.
SB 311 Define the distance between towns in the same county in which the circuit court is held.
SB 312 Authorize additional court reporters for certain circuit judges.
SB 319 Revise child labor provisions.
SB 320 Reclassify Elkton.
SB 323 Authorize cities to lease hospitals to districts.
SB 327 Exempt the Department of Corrections from capital construction approval requirements.
SB 340 Appropriate funds to the Commission on Employment of the Physically Handicapped.
SB 341 Appropriate funds to the Department of Insurance.
SB 351 Grant eminent domain right to producers and suppliers of utility services.
SB 354 Create a Photographers Licensing Board.
SB 357 Define a board of regents for Northern State College.
SB 358 Include certain labeled drugs in the definition of dangerous drugs.
SB 359 Propose a general obligation state bond issue.
SB 368 Require distribution of a marriage manual.
SB 371 Delete revenue bond anticipation note interest maximum.
SB 378 Grant the state Air Pollution Commission jurisdiction concurrent with local commissions.
SB 382 Enact the Interstate Corrections Compact.
SB 386 Permit an impacted school district compensating tax rate.
SB 387 Authorize establishment of community improvement districts.
SB 388 Revise provisions covering the State Racing Commission.
SB 389 Adopt standards of safety enforcement provisions.
SB 402 Repeal Lincoln Institute provisions.
SB 404 Create the office of State Curator.
SB 406 Increase compensation limits for certain state commissioners.

	Senate Message	Referred	Reported	Readings 1st	Readings 2nd	Readings 3rd	Amend or Concur	Enrolled	Other Action
SB 304	1597	1601	2446	2451	2800	3206		3266	2943
SB 305	2834	2894	2897	2901	3103	3269		3309	3199, 3305
SB 309	2936	2943	3159	3159	3264				
SB 311	1396	1598	1859	1876	2649	3209		3266	3102, 3213
SB 312	3158	3158	3182	3182	3264	3335	3183	3390	3310
SB 319	2845	2906	3088	3096	3191	3290	3291	3325	3276
SB 320	1851	1859	2823	2833	2894	3220		3266	3153
SB 323	2845	2906	3076	3076	3191	3293		3325	3276
SB 327	3208	3213	3225	3226	3264	3378		3391	3310, 3334
SB 340	2376	2404	2903	2905	3103	3271		3309	3199, 3305
SB 341	2376	2404	3076	3088	3191	3294		3325	3276
SB 351	2650	2665	2888	2888	2905	3214	3214	3294	3153, 3263
SB 354	2834	2894							
SB 357	2666	2721	2897	2899	3103	3224		3290	3199
SB 358	3158	3158	3159	3161	3264				
SB 359	2933	2943	3120	3137	3191	3355	3355	3394	3354
SB 368	3158	3158							
SB 371	3158	3158	3225	3231	3264	3378		3391	3354
SB 378	2933	2943	3163	3175	3264	3374	3374	3394	3354
SB 382	2845	2906	3182	3183	3264	3319		3334	3310, 3334
SB 386	2834	2894	3076	3077	3191	3295			3276
SB 387	3158	3158	3251	3252	3264	3326		3390	3310, 3333
SB 388	2666	2721	3048	3065	3191	3296	3071	3325	3276
SB 389	2933	2943	3251	3262	3264	3319		3334	3310, 3334
SB 402	3158	3158	3225	3231	3264	3337		3382	3310
SB 404	3208	3213	3225	3228	3264	3339		3382	3310, 3345
SB 406	3208	3213	3225	3230	3264	3346	3346	3394	3310

HISTORY OF SENATE RESOLUTIONS

Numbers refer to page of House Journal. The text of a bill is given on first reading.

SJR 13 Direct a study of the Uniform Consumer Credit Code.

SCR 14 Request permission to telecast certain college basketball.
SCR 36 Request cession of river navigation facilities.

SCR 41 Adjourn from February 11 to February 16, 1970.
SJR 52 Direct a study of workmen's compensation.
SCR 56 Honor Coach and Mrs. Adolph Rupp.
SJR 58 Appropriate $1,669.25 to Rhea Tucker.
SJR 63 Create a Survey Commission on Public Education.

SCR 69 Invite Ohio Governor Rhodes to address the General Assembly.
SCR 83 Adjourn the General Assembly sine die.

	Senate Message	Referred	Reported	Readings 1st	Readings 2nd	Readings 3rd	Adopted	Enrolled	Other Action
SJR 13	277	282	1340	1352	1494	2805	2805	2925	2401, 2805
SCR 14	277	282	601	615	742	810	810	870	760
SCR 36	1167	1275	2607	2612	2800	3208	3208	3266	2943, 3213
SCR 41	599						741		
SJR 52	2834	2895	3163	3177	3264				
SCR 56	2845	2906	3163	3178	3264				
SJR 58	2650	2664	2903	2903	3103	3270	3270	3309	3199
SJR 63	2666	2721	3163	3180	3264	3339	3339	3390	3310, 3339, 3345
SCR 69	1743						1746		
SCR 83	3284						3392		3354

GENERAL INDEX

(See History of Bills and Resolutions for page reference)

Absent Voting, *see* Elections *or* Voting

Administrative Regulations
- Filing with Attorney General, HB 717

Aeronautics
- Navigational facilities, air board jurisdiction concerning, HB 417
- Parachute jumping, regulation of, HB 166
- Structures near airports, height of, HB 426
- Taxicabs at airports, prohibition of exclusive franchise, HB 476

Aged Persons
- Homes, enforcement of regulations on, HR 97
- Lunch programs, HB 277
- Needs, study of, HR 33
- Nursing care allowance, HB 247

Agriculture
- DDT, regulation of, SB 67
- Dog wardens, powers of, HB 634
- Fairs, local, use of state grants for improvements, HB 311
- Farm Development Authority, creation of, HB 577
- Grain: dealers, licensure, HB 53, 454; moisture measuring devices, regulation of, HB 212
- Horticultural project, federal, request for, HR 105
- Land value for taxes amendment, implementation of, SB 259; HB 442
- Poultry and rabbit inspection, HB 102
- Production credit associations, regulation of, HB 22
- Related business and industry, study of, HR 24
- Slow-moving vehicle emblem, HB 201
- Tobacco: price supports, continuation of, HR 10; allotments, retention of, HR 21, 31; industry preservation methods, HR 16; Research Board, creation of, HB 466
- Weights and measures: devices, licensure requirements, SB 197; standards and enforcement, HB 521; inspections and administration, HB 711

Air Pollution
- Interstate Compact, HB 293
- Local board membership, SB 309; HB 523
- Standards of control, urging adoption of, HR 17
- State commission: membership increment, HB 3; jurisdiction of, SB 378; HB 540

Alcoholic Beverages
Advertisement in educational publications, HB 367
Board decision appeals, filing of, HB 489
Bottles, definition of, SB 167
County license fees, maximum, HB 406
Distilled spirits taxes, increase in, HB 333
Females at bars, service for and by, HB 304
Licenses: types of, HB 341; provisions concerning, SB 167; HB 342; fees, HB 324; restaurants, HB 463
Light whiskey, HB 47
Malt beverage off-premises consumption sales, HB 326
Resale price maintenance repeal, HB 427
Retail employees, registration of, HB 477
Sales: at educational institutions, HB 368; to minors, affirmative defense for, HB 595; on Sunday, HB 349
Wine containers, size of, SB 295

Alcoholism
Patients, involuntary hospitalization, procedures for, SB 274; HB 587

Alexander, James T. (Jim)
Introduced: HB 1, 2, 3, 4, 13, 16, 28, 72, 147, 252, 253, 296, 309, 442, 490, 517, 562, 577, 623; HR 58, 63, 114, 117

Allen, Darvin
Introduced: HB 1, 2, 3, 4, 12, 13, 15, 17, 32, 33, 52, 64, 73, 74, 120, 121, 122, 145, 147, 150, 151, 164, 201, 215, 247, 266, 267, 268, 296, 305, 359, 481, 486, 531, 535, 541, 577, 623, 694; HR 32, 57, 72, 99, 114, 135

Annexation, *see* Cities

Appropriations
Big Bone Lick State Park, HR 23
Budget, executive biennial, HB 18
Claims against the Treasury, HB 339
Dairy production testing program, HB 712
Exceptional children's classrooms, HB 356
Handicapped, Commission on Employment of, SB 340
Insurance code revision, SB 341
Interstate Education Compact, HB 305
Kidney Disease Institute, HB 252
Law enforcement foundation program, HB 526
Legislative budget, biennial, HB 5
Legislative deficiency, SB 5
Legislative Research Commission, session expenses, HR 4
Louisville, University of, dialysis kidney center, HB 253; biennial appropriation, HB 162
Road Fund expenditures, HR 68
Vocational schools, HB 346

Arnett, Sherman R.
Introduced: HB 1, 3, 4, 13, 17, 33, 52, 74, 109, 150, 164, 170, 171, 215, 247, 359, 529, 577, 685, 688; HR 5, 21, 28, 48, 61, 99, 130

Astronauts
Commendation, HR 44

Athletics
Admission fee, counties with 1st, HB 610
Camp, Frank, commending, HR 112
Combs, Earle, commending, HR 42
Jefferson County stadium, urging construction of, HR 120
Kentucky State College basketball: commending, HR 115; invitation by General Assembly, HR 123
Parachute jumping, regulation of, HB 166
Rupp, Mr. and Mrs. Adolph, commending, SR 56
School events, admission of retired teachers, HR 80
University of Kentucky basketball: television, SR 14; commending and congratulating, HR 64, 117
University of Louisville basketball, recognition of, HR 96
Western Kentucky University basketball, commending, HR 74

Attorney General
Administrative regulations, filing with, HB 717
Fines and penalties fund, HB 625

Attorneys
Public defender, SB 261; HB 739

Audits and Auditors
Legislative Auditor, SB 10

Bailey, Kendall
Elected Page, p. 6

Baker, Walter A.
Introduced: HB 17, 34, 66, 90, 109, 161, 165, 166, 183, 208, 255, 256, 363, 364, 365, 369, 388, 389, 426, 460, 465, 499, 514, 534, 609, 632, 659, 716; HR 39, 46, 86, 100, 117

Banking
Checks, fraudulent, amount determining penalty, HB 287
Closing in emergency, HB 621
Credit cards: crimes, SB 94; HB 118; unsolicited, prohibition of, HB 439; liability, SB 92
Credit unions, HB 88
Department of Banking, administrative procedures, HB 285
Foreign lenders, qualifications for business by, HB 360
Holder in due course, defenses against, HB 470
Holidays, SB 115; HB 95
Installment loans, repayment equality, HB 705
Interest rates: usury maximum, increase in, SB 139; HB 622; disclosure, HB 622

Banking—continued
Property investments, authorization of, HB 460
Revolving credit charges, SB 93
Savings and loan associations, dividends and deposits, HB 279
State depositories, HB 747
State regulatory fees, HB 621

Barbers and Cosmetologists
Barbering license fees, increasing, SB 265
Boards, fees received, allocation of, SB 76

Bartley, Wallace
Introduced: HB 17, 79, 171, 496, 577; HR 46

Blandford, Donald J.
Introduced: HB 1, 2, 4, 13, 64, 67, 68, 117, 195, 209, 296, 297, 357, 623, 669, 712; HR 63

Bleemel, Leo
Introduced: HB 227, 252, 253, 429, 490, 623; HR 117

Blume, Norbert
Elected Speaker Pro Tem, p. 6
Introduced: HB 1, 2, 3, 4, 13, 20, 45, 64, 67, 68, 75, 88, 100, 115, 116, 127, 137, 147, 154, 159, 162, 163, 172, 177, 179, 180, 186, 193, 194, 198, 216, 217, 219, 220, 252, 253, 254, 264, 265, 272, 275, 301, 302, 303, 306, 327, 333, 358, 366, 370, 385, 391, 408, 415, 416, 417, 424, 425, 441, 489, 491, 508, 523, 531, 544, 545, 546, 578, 587, 610, 611, 612, 613, 614, 615, 616, 617, 618, 623, 624, 645, 669, 697; HR 6, 12, 17, 28, 37, 45, 67, 91, 96, 110

Blythe, E. Bruce, Jr.
Introduced: HB 88, 127, 137, 147, 154, 162, 186, 216, 218, 257, 258, 259, 283, 303, 307, 309, 365, 366, 393, 414, 443, 459, 497, 503, 522, 524, 525, 555, 610, 623, 645, 698, 703, 715, 728, 729; HR 14, 22, 26, 39, 46, 51, 82, 87, 117, 123

Boats and Boating
Battery power, use of, HB 440
Division of Boating, abolition, HB 679, 680
Licensing requirements, HB 680
Sanitation facilities, HB 500

Bonds—Public
General obligation issue, state, SB 359; HB 646
Industrial revenue bonds, pollution facilities under, SB 206
Interest rate ceilings, removal of, SB 96
Low-income housing issue, HB 478
Revenue bond anticipation notes, interest on, SB 371
School construction revenue bonds, city issue of, SB 298

Boundaries
Ohio River property, transfer of, HR 66

Brown, Archie
Introduced: HB 17, 34, 64, 83, 107, 110, 150, 170, 171, 195, 215, 271, 340, 396, 496, 501, 685; HR 46, 75, 78, 89

Brown, Edward G. (Ed)
Introduced: HB 64, 159, 171, 218, 307, 309, 383, 402, 501, 623; HR 5, 58, 63, 72, 74, 89, 114

Brown, Hershel
Introduced: HB 16, 34, 48, 64, 107, 126, 215, 220, 271, 334, 335, 336, 337, 338, 339, 340, 343, 344, 345, 373, 374, 375, 376, 377, 378, 379, 380, 381, 396, 429, 495, 501, 535, 548, 623; HR 46, 116

Bruce, James E.
Introduced: HB 1, 2, 3, 4, 13, 22, 72, 223, 252, 253, 271, 429, 442, 623; HR 82

Budget and Financial Administration
Bond issue, general, SB 359; HB 646
Budget estimates, submission to Legislative Research Commission, HB 13
Budget, executive biennial, HB 18
Capital construction, General Assembly approval of, HB 661
County budget, annual submission date, HB 41
Electronic Data Processing, Division of, HB 240
Fiscal Management, Division of, HB 239
Previous fiscal year balances, warrants against, HB 243
Purchases, requirements concerning, HB 233
Revenue bond anticipation notes, maximum interest on, SB 371
Road Fund expenditures, HR 68

Carroll, Julian M.
Commendation to, HR 130
Elected Speaker, p. 5
Introduced: HB 1, 2, 3, 4, 13, 29, 127, 147, 159, 332, 333, 386, 392, 416, 417, 528, 623, 659; HR 40, 72, 77, 119, 128

Carter, David
Introduced: HB 1, 2, 3, 4, 13, 29, 64, 66, 72, 83, 84, 94, 107, 113, 119, 128, 157, 163, 170, 177, 178, 194, 219, 260, 261, 296, 308, 362, 420, 528, 535, 577, 623, 659, 670, 671; HR 34, 36, 63, 114, 117

Cemeteries and Burials
National system, expansion of, HR 15
State military cemetery, HB 603

Chapman, Thomas E.
Introduced: HB 1, 2, 3, 4, 5, 9, 10, 13, 29, 43, 64, 83, 84, 85, 86, 106, 110, 117, 131, 146, 147, 171, 175, 176, 180, 195, 209, 216, 217, 219, 252, 253, 309, 411, 467, 535, 577, 584, 637, 639; HR 24, 28, 63, 72, 99, 110, 114, 117, 136

Children and Minors
Abandonment, HB 709
Abuse, reporting of, HB 546
Adoption birth certificates, HB 375
Children's Advisory Council membership, HB 379
Commission on Children and Youth, youth members of, HB 566
Commitment to Department of Child Welfare, hearing on, HB 376
County children's bureaus, establishment, HB 600
Custody by court, affidavit for, HB 374
Damages by, liability for, HB 635, 657
Detention facilities, regulations for, HB 373
Employment, HB 186
Exceptional: definition of, HB 255; task force on, HB 256; private schools, state qualification of, HB 209; classrooms for, HB 356
Homes and care centers: definition as restaurants, HB 377; licensing of, HB 644
Labor by, SB 319
Legitimization, HB 344
Medical treatment order by juvenile court, HB 381
Parental rights termination, HB 274, 378
Paternity, Uniform Act, extension of, HB 286
Rape plaintiff, identity of, HB 654
School: entrance age, HB 66; transportation requirement, HB 206
Venereal disease, examination and treatment for, SB 193
Witness to crime, identity revelation, HB 654

Cities—Classification
Adairville, HB 457
Auburn, HB 383
Bardstown, SB 223
Elkton, SB 320
Ft. Mitchell-So. Ft. Mitchell merger, SB 201
Ft. Wright-Lookout Heights merger, HB 300
Leitchfield, SB 208
Wilder, HB 153

Cities—Generally
Ambulance service contracts, HB 178
Annexation, action following adverse judgment, HB 9
Auditorium loan fund, HB 616
Bellevue, 100th anniversary of, HR 122
Commercial buildings, unfit, disposition of, SB 303
Compensating tax rate, levy of, HB 452
Computerized records, SB 257
Consolidation with counties, study of, HR 27

Cities—Generally—continued
Councilmen's freeholder requirement, HB 62
Electric boards, tax equivalent payments, HB 659
Employees' hospitalization benefits, HB 295
Firemen, collective bargaining by, HB 509
Form of government, alteration of, SB 266
Hospitals, lease to districts of, SB 323
Housing: authorities, HB 185; commission membership, HB 614
Improvements, provision of, HB 402
Industrial development authorities, local, authorizing, SB 224
Job vacancies, seniority for filling of, HB 130
Law enforcement foundation program, HB 526
New community districts, HB 320
Open toilets, HB 615
Parks, state aid for, HB 611
Peace officers, special, SB 241
Plans, counties with 1st, HB 31
Police and firemen, liability insurance for, HB 146
Purchase contracts, state, use of, HB 204
Rat control, HB 612
Real estate transfer tax exemption, HB 11
School construction, revenue bonds for, SB 298
Statutes concerning, study of, HR 6
Tax lien notice requirement, HB 445
Tourist and convention commissions, promotion services by, HB 327
Transit authorities, establishment of, HB 414
Utilities, operation of, SB 112
Weeds, grass and rubbish nuisances, prohibition of, SB 177

Cities—First Class
Aldermen, salaries of, HB 321
City manager government, HB 642
Civil Service Board: police and firemen members, HB 425; members' per diem increment, HB 502
Health board, nurse member, SB 124
Home rule charter, HB 673
Pedestrian malls, SB 186; HB 303
Street improvement assessments, HB 329

Cities—Second Class
Employees, election coercion by, HB 410
Firemen, vacation allowance for, HB 106
Health boards, nurse member, SB 116
Library trustees, number of, SB 213
Pension fund tax levy, HB 354
Police and firemen: suspension appeals, HB 288; employment and promotion examinations, HB 371
Police court costs, assessment of, HB 129
Police judge: retirement, HB 331; annual salary, HB 576
Reclassified to 1st class, continuation of city manager government, HB 642
Urban county government, HB 543

Cities—Third Class
Annexation in another county, HB 435
Delinquent tax sales, HB 152, 520
Fire department, division into platoons, HB 83
Police and firemen: suspension appeals, HB 288; employment and promotion examinations, HB 371

Cities—Fourth, Fifth and Sixth Class
Auxiliary police forces, HB 21
Classified service exclusions, HB 10
Garbage disposal, state assistance for, HB 107
License fee increment, 4th, notifications concerning, HB 246
Ordinance publication, HB 98
Tax delinquency sales, HB 520

Civil Procedure
Civil appeals, hearing of, HB 639
Damage actions, partial liability awards, HB 168
Detainers, agreement on, HB 629
Divorce of insane spouse, HB 619
Emergency aid liability exemption, HB 112
Estate, relinquishment of spouse's interest, HB 483
Fiduciaries, HB 482; investments by, HB 542
Garnishment and attachment exemptions, HB 318, 475, 512
Holder in due course, defenses against, HB 470
Judgment for nonresidents, HB 289
Letters of administration, HB 328, 666
Limitation of actions, time period for, SB 176; HB 294, 488
Marital consortium loss, recovery of damages for, HB 222
Personal representatives: nonresidents as, HB 183; payment of claims by, HB 511
Power of appointment, exercise of, HB 675
Process and summons, service of, HB 727

Civil Rights
Discrimination: based on sex, HB 624; HR 69; based on age, HB 167

Claims
Crouch, Blanche H., HR 87
Prior-year claim, support of, HB 244
Special appropriation for, HB 339
State liability for tort damages, HB 193
Tucker, Rhea, SR 58

Clapp, Lloyd
Introduced: HB 13, 77, 103, 104, 105, 127, 147, 204, 252, 253, 274, 296, 429, 495, 496, 499, 548, 577, 658; HR 11, 36, 56, 63, 72, 136

Clarke, P. Joe
Introduced: HB 1, 2, 3, 4, 13, 29, 50, 113, 140, 141, 159, 194, 391, 462, 487, 488, 532, 535, 551, 586, 619, 623, 630, 634, 688, 725; HR 28, 29, 63, 67

Collins, Raymond
Introduced: HB 1, 2, 3, 4, 12, 16, 17, 33, 34, 48, 56, 107, 126, 150, 151, 164, 171, 215, 260, 334, 335, 336, 337, 338, 339, 340, 343, 344, 345, 361, 396, 443, 495, 584, 646, 686, 706, 733; HR 46, 80, 92

Commendations and Recognitions
Astronauts, HR 44
Bailey, Clay Wade, HR 9
Bellevue, City of, HR 122
Bourbon County and Paris teachers, HR 58
Boy Scouts of America, HR 40
Breathitt County High School basketball, HR 125
Camp, Frank, HR 112
Centre College, HR 29
Civil Liberties Union of Kentucky, HR 12
Combs, Earle, HR 42
Frankfort Semester Program, HR 100
Future Farmers of America, HR 62
Gates Rubber Company, HR 103
Hazel Green High School basketball, HR 133
Hibernians, Order of, HR 111
Jaycee Week, HR 7
Kentucky State College basketball, HR 115
Kimball, Jennifer Sue, HR 118
League of Women Voters, HR 37
Legislative employees, HR 114
Legislative interns, HR 77
Lexington Council of Neighborhood Organizations, HR 126
Lexington Philharmonic Society, HR 102
Manchester Center, Inc., HR 107
Pleasure Ridge Park High School basketball, HR 129
Robb, Mrs. Mary J., HR 132
Rupp, Mr. and Mrs. Adolph, SR 56
Soap Box Derby of Lexington, HR 108
Thomas More College, HR 50, 88
University of Kentucky basketball, HR 64, 117
University of Louisville basketball, HR 96
Vietnam Memorial Non-Profit Corporation, HR 128
Western Kentucky University basketball, HR 74
Women's Clubs, Kentucky Federation of, HR 22
Young Historians of Kentucky, HR 98

Commerce, Department of
Reorganization, SB 221

Conn, Peter
Introduced: HB 1, 2, 3, 4, 13, 23, 64, 69, 93, 95, 100, 113, 127, 131, 137, 146, 147, 154, 160, 162, 163, 180, 209, 216, 219, 296, 301, 302, 303, 306, 320, 327, 358, 391, 427, 523, 535, 577, 578, 610, 611, 612, 613, 614, 615, 616, 617, 618, 623, 624, 673, 697, 701; HR 6, 12, 17, 22, 28, 72, 91, 110

Conservation
Citizens Conservation and Environmental Council, HB 421
Trade Water River conservation, HR 82
Watershed district discontinuance, HB 157
Wildlife sanctuaries, HB 565
Wild rivers system, SB 269

Constitution
Amendments submitted, amendment on, HB 270
City legislative election amendment, HB 366
Constitution Revision Assembly repeal, HB 722
Convention call amendment, HB 668
General Assembly: terms amendment, HB 28; sessions amendment, HB 549
Homestead exemption amendment, HB 147
Lottery amendment, HB 742
Sheriffs' succession amendment, HB 128
Superintendent of Public Instruction, amendment on selection of, SB 233
Voting: residence amendment, HB 257, 280, 640; disabled voters, amendment, HB 291; secret process amendment, HB 641

Consumer Affairs
Citizens Commission on Consumer Protection, HB 347
Credit cards: crimes, SB 94; HB 118; unsolicited, prohibition of, HB 439; liability, SB 92
Deceptive trade practices, HB 296, 437, 737
Garnishment and attachment exemptions, HB 318
Installment loans, repayment of, HB 705
Interest rates: usury maximum, increase in, SB 139; HB 622; disclosure, HB 622
Petty loans: HB 307; company license fees, HB 620
Price marking requirements, HB 630
Prizes as enticements, prohibition of, HB 663
Protection, Governor's message on, p. 2696
Referral selling, HB 662
Revolving credit charges, SB 93
Uniform Consumer Credit Code study, SR 13
Unsolicited contracts, avoidance of, HB 361
Unsolicited goods, refusal of, HB 192, 439

Contracts
Highway contractors, deposit of securities by, SB 198
State, non-competitive arrangement, HB 669

Conveyances
Real estate instruments, address requirement for recording, HB 36

Cooperative Associations
Assessment or cooperative insurers: mutual status of, SB 122; HB 141; organization of, SB 114; HB 140
Bonds, interest rate maximum deletion, HB 351
Name "cooperative," use of, HB 632

Coroners
Compensation increment, HB 407
Study of, HR 70

Corporations
Address and process agent verification, HB 638
Bylaws, amendment or repeal of, HB 550
Income tax, HB 317
Incorporation requirements, compliance with, HB 664
Omnibus act, HB 514
Process agent, resignation by, HB 487
Securities: registration requirements, HB 226; registration by coordination, HB 434; manual signature of, SB 280

Corrections
Child detention facilities, regulations for, HB 373
Department of Corrections, capital construction approval exemption, SB 327
Felonious convicts, Department of Corrections custody of, SB 150
Felons, employment in agriculture, HB 27
Interstate Corrections Compact, adoption of, SB 312

Counties—Generally
Ambulance service contracts, HB 178
Attorney, office expenses of, HB 732
Auditorium loan fund, HB 616
Budget, annual submission date, HB 41
Children's bureaus, establishment, HB 600
Circuit court, site of, SB 311; HB 474
Commissioner districts, reapportionment of, HB 81, 650
Compensating tax rate, levy of, HB 452
Computerized records, SB 257
Consolidation with cities, study of, HR 27
Coroners, study of, HR 70
Court house, temporary, location of, SB 293
Dwellings, unfit, disposition of, HB 132
Employees: hospitalization benefits, HB 295; disability retirement, SB 188
Fire protection districts, HB 528
Fiscal court police powers, HB 494
Industrial development authorities, local, authorizing, SB 224
Justices, office expense allowance, HB 125
Legal processes and documents tax, HB 315
Levee districts, cooperation for, HB 19
Officials: salary increment, SB 30; HB 65; deputies, compensation review for, HB 260; branch offices for, SB 294
Parks, state aid for, HB 611
Peace officers, special, SB 241
Police force merit boards, HB 220
Property in custody: damage actions concerning, HB 715; control and disposition of, SB 207

Counties—Generally—continued
Purchase contracts, state, use of, HB 204
Real estate transfer tax exemption, HB 11
Road engineer, salary supplement for, HB 670
Road: rights-of-way, condemnation of, HB 496; system, additions to, SB 127
Transit authorities, establishment of, HB 414
Urban renewal powers, HB 631

Counties With Cities of the First Class
Air pollution board membership, SB 309; HB 523
Athletic contest admission fee, HB 610
Community improvement districts, SB 387; HB 555
Health board, nurse member, SB 124
Home rule charter, HB 673
Jefferson County State Park Commission, HR 45
School district boundary change, HB 158
Sheriff: prisoner maintenance allowance, HB 264; deputies' acts, liability for, HB 265
Sports stadium, urging construction of, HR 120
Voter registration at precincts, HB 55

Counties With Cities of the Second Class
Air pollution board membership, SB 309; HB 523
Circuit court reporters, compensation, SB 285
Health boards, nurse member, SB 116
Jury commissioners' compensation, SB 291
Urban county government, HB 543

Court Clerks
Branch offices, SB 294
Circuit clerk, fines and forfeitures, HB 548
County clerk: mortgage recording by, SB 138; indexing of title instruments, HB 596; voting machine custody allowance, HB 207; records, copying of, HB 746
Fee increment, SB 89
Offices, location of, HB 205

Court—Fiscal, *see* Counties

Court Reporters
Circuit court, additional reporters, SB 312
Compensation, SB 285
Fees authorized, HB 658

Courts—Circuit, *see also* Judicial Districts
Alcoholic beverage appeals, hearing of, HB 489
Boyle and Mercer, creating, HB 50
Civil appeals, hearing of, HB 639
Commissioners and receivers, fees of, SB 108

Courts—Circuit—continued
Districts, combination, study of, HR 25
First District, redefinition of, HB 148
Fourth and Fifth Districts, redefinition of, SB 24; HB 54
Graves, creating, HB 148
Henderson, creating, SB 24; HB 54
Jefferson County, judges for, SB 12
Judges, substitution by, HB 211
Reporters, employment of, SB 312
Site of court, SB 311; HB 474
Thirteenth District, redefinition of, HB 50

Courts—County
Judge: succession to office, HB 165; quarterly expense allowance increment, HB 155
Juvenile court: decisions, appeal of, HB 656; phases, HB 655
Juvenile session, bail for adult defendants, HB 35
Orders and judgments, signature of, HB 99

Courts—Generally
Child custody, affidavit for, HB 374
Clerks' offices, location of, HB 205
Computerized records, SB 257
Costs and judgment entry, postponement of, HB 480
Damage actions, partial liability awards, HB 168
Evidence of previous conviction, use of, HB 388
Family court system, study of, HR 30
Jurisdiction over nonresidents, HB 289
Jurors: unimpaneled, payment of, HB 82; age, minimum, reduction of, SB 109; petit, expense reimbursement, HB 581; per diem and expenses, SB 227; HB 230
Juvenile court: decisions, appeal of, HB 656; phases, HB 655
Juvenile witness, identity of, HB 654
Limitation of actions, time period for, SB 176; HB 294, 488
Process and summons, service of, HB 727
Rape plaintiff, identity of, HB 654
Sales ordered, terms of, HB 90
Ward custodian, court-ordered payments to, HB 538

Courts—Police
Costs, cities of 2nd, assessment of, HB 129

Credit Unions
Employees, state retirement for, HB 453
Regulatory provisions, revision of, HB 88

Crimes and Punishments
Blood banks for profit, prohibition of, HB 687
Bombs and booby traps, HB 86
Checks, fraudulent, amount determining penalty, HB 287

Crimes and Punishments—continued
Child abuse, reporting of, HB 546
Child detention facilities, regulations for, HB 373
Credit card crimes, SB 94; HB 118
Deadly weapon, carrying concealed, SB 36; HB 532
Debt adjustment, prohibition of, HB 159
Drug abuse, SB 274
Fines, satisfaction of, HB 430
Implied consent, HB 389
Juvenile court, bail for adult defendants, HB 35
Kidnaping, HB 582
Medical assistance, falsification of statements concerning, HB 336
Misdemeanants, parole of, SB 100; HB 471, 537
Moral turpitude, conviction as bar to police employment, HB 182
Murder of police officer, HB 96
Obscene matter provisions, exemption from, HB 254
Obsolete statutes, repeal of, HB 729
Parolees, reconviction, sentencing for, SB 151
Property damage by explosion, HB 51
Riot or unlawful assembly, SB 32
Sentence, good time credit for, SB 149
Shoplifting suspects, detention of, HB 499
Sunday closing: repeal, HB 177, 225; prohibited activity, HB 297; exceptions, SB 6

Criminal Procedure
Bail pending appeal, HB 249
Costs and judgment entry, postponement of, HB 480
Evidence of previous conviction, use of, HB 388
Felonious convicts, Department of Corrections custody of, SB 150
Fines, satisfaction of, HB 430
Juvenile court, bail for adult defendants, HB 35
Juvenile witness, identity of, HB 654
Military Justice, Code of, HB 208
Misdemeanants, parole of, SB 100; HB 471, 537
Parolees reconvicted, sentencing of, SB 151
Public defender, SB 261
Rape plaintiff, identity of, HB 654
Sentence, good time credit for, SB 149

Curlin, William P., Jr.
Introduced: HB 1, 6, 13, 93, 95, 96, 125, 127, 150, 160, 331, 386, 387, 390, 400, 401, 434, 435, 461, 462, 500, 599, 606, 607, 608, 638, 647, 692; HR 25, 28, 40, 68, 115, 117

Davis, James A. (Jim)
Introduced: HB 109, 201, 255, 256, 260, 281, 429, 623, 674, 721; HR 7, 46, 114

Davis, Walter F.
Introduced: HB 17, 34, 108, 226, 334, 335, 336, 338, 340, 343, 344, 345, 373, 374, 375, 376, 377, 378, 379, 380, 381, 495, 623, 646; HR 46, 63, 114

Deadly Weapons
Carrying concealed, penalty for, SB 36; HB 532
Concealment by police, authorization of, HB 71
Purchase in contiguous states, HB 32
Sales, reporting of, HB 391

DeMarcus, William Harold
Elected Minority Floor Leader, p. 7
Introduced: HB 17, 18, 22, 50, 108, 165, 166, 175, 176, 188, 189, 190, 191, 192, 209, 210, 226, 230, 233, 234, 235, 236, 237, 238, 239, 240, 241, 242, 243, 244, 260, 262, 279, 281, 285, 313, 314, 315, 316, 317, 326, 334, 335, 336, 337, 338, 339, 340, 341, 342, 343, 344, 345, 367, 368, 369, 373, 374, 375, 376, 377, 378, 379, 380, 381, 398, 406, 423, 429, 464, 526, 534, 540, 544, 545, 546, 547, 558, 566, 567, 588, 589, 590, 591, 592, 593, 594, 603, 620, 621, 622, 626, 627, 644, 646, 654, 655, 656, 657, 676, 677, 678, 679, 680, 681, 683, 689, 696, 745, 746; HR 3, 46, 59, 81, 90, 106

Deskins, Fon
Introduced: HB 1, 2, 3, 4, 12, 13, 32, 34, 52, 60, 61, 66, 73, 74, 118, 120, 121, 122, 147, 150, 194, 247, 268, 280, 282, 458, 482, 483, 511, 512, 541, 577, 584, 623, 685, 726; HR 63, 72, 99, 114, 117, 134, 136

Distilled Spirits
Bottles, definition of, SB 167
Excise and floor stocks taxes, increase in, HB 333
Licenses for restaurants, HB 463
Licenses: types of, HB 341; provisions concerning, SB 167
Light whiskey, HB 47
Sunday sales, HB 349
Wine containers, size of, SB 295

Dix, Troy
Elected Page, p. 6

Domestic Relations
Child abandonment, HB 709
Consortium loss, recovery of damages for, HB 222
Divorce: of insane spouse, HB 619; appeals, HB 45
Family court system, study of, HR 30
Legitimatization of children, HB 344
Marriage manual, distribution of, SB 368
Parental rights termination, HB 378
Paternity, Uniform Act, extension of, HB 286
Ward custodian, court-ordered payments to, HB 538
Will revocation following divorce, HB 221

Donnermeyer, William (Bill)
Introduced: HB 1, 2, 3, 7, 13, 24, 25, 26, 56, 67, 68, 71, 77, 78, 79, 129, 130, 132, 135, 136, 153, 164, 177, 195, 198, 204, 227, 271, 288, 349, 408, 489, 530, 577, 623, 624, 635; HR 9, 11, 23, 28, 63, 66, 72, 76, 88, 95

Dorris, Homer B.
Introduced: HB 1, 2, 3, 4, 76, 219, 261, 383, 457; HR 63, 89

Durham, O. A. (Cotton)
Introduced: HB 12, 17, 21, 34, 48, 52, 56, 61, 64, 90, 107, 117, 126, 155, 171, 186, 207, 226, 248, 249, 261, 281, 340, 373, 374, 375, 376, 377, 378, 379, 380, 381, 419, 443, 458, 482, 483, 499, 511, 512, 623, 685, 712, 726, 731; HR 5, 46, 63, 76, 92, 97, 116, 117

Eastridge, T. W.
Appointed Cloak Room Keeper, p. 94

Economic Development
Area development districts, HB 175, 176
Eastern Kentucky development request, HR 99
Economic Advisors, Governor's Council of, HB 258
Farm Development Authority, creation of, HB 577
Industrial development authorities, local, authorizing, SB 224
Industrial development loans, security for, SB 222
Industrial loan company interest charges, HB 395
Industrial revenue bonds, pollution facilities under, SB 206
Pedestrian malls, cities of 1st, SB 186; HB 303

Education—Generally
Accident and tragedy reports, HB 267
Age for school entrance, HB 66
Bus: discharge, crossing highway following, HB 223; turning areas, HB 444
Compensating tax rate: levy of, HB 451; impacted area revenue loss, adjustment for, SB 386; limit removal, SB 231
Construction of schools, city revenue bonds for, SB 298
County board members, per diem increment, HB 268; salary and expenses, HB 495
Disaster days, HB 271
District boundary: change, counties with 1st, HB 158; cities of 1st, HB 645
Districting, study of, HR 127
Districts: reduction of, HB 597; merger of, HB 707
Educational television, functions and authority of, HB 262
Employees: exemption from conflict-of-interest, HB 34, 525; insurance coverage for, HB 49
Exceptional pupils: definition of, HB 255; task force on, HB 256; private schools, state qualification of, HB 209; classrooms for, HB 356
Foundation program guarantee, increasing, HB 601
History of Kentucky, study of, HR 59
Inclement weather, days lost for, HR 36
Innovation, Educational, State Task Force on, HR 39
Interstate compact appropriation, HB 305
Lincoln Institute, repeal of provisions, SB 402
Nonpublic support fund, HB 198
Omnibus study, HR 56

Education—Generally—continued
Optional taxes, number chosen, HB 697
Personnel Qualification, Interstate Compact on, HB 74
Private-public relationship, study of, HR 101
Reforms, Governor's message on, p. 2704
Safety standards for shops and laboratories, HB 352
Sex education: HB 57; study of, HR 113
Special education, Governor's message on, p. 2701
Speed limits near schools, SB 80
State government operations, instruction on, HR 41
Supervision of pupils, teachers' responsibility for, SB 194
Survey commission, creation of, SR 63; HR 72
Teachers: sabbatical leave for, HB 60; reemployment denial, reason for, HB 59; sick leave, HB 142; non-public, certification, HB 365; personal leave, HB 61; strike rejection, commendation for, HR 58; salary differentiation, HB 363; para-professionals and aides, SB 228; HB 369; professional negotiations, HB 215; salary increment, SB 215; HB 450, 702; jury duty, salary during, HB 569
Textbooks, experimental, SB 216; HB 364
Transportation requirement, HB 206

Education—Higher, *see also* Universities and Colleges
Assistance Authority, definitions concerning, HB 76
Community colleges: advisory board membership, SB 305; tuition, HR 119
Council on Public Higher Education: responsibilities of, HB 196, 306; quorum definition, HB 519
Covington Community College, location and name of, SB 21; HB 25
Employees: group insurance for, HB 529; retirement plans, HB 730
Frankfort Semester Program, commending, HR 100
Governmental Affairs School, creation of, HB 413
Legislative study commission, SB 117
Louisville, University of, state status study, HR 55; state status grant, SB 117
Medical school curriculum, HB 393
Northern Ky. State College regents, SB 357; HB 26
Student records, confidential nature of, SB 147
Veterinary Science School, creation of, HB 412

Education—Vocational
Safety standards, HB 352

Elections, *see also* Voting
Absent ballot: stubs, SB 66; notary's fee, SB 146; application and registration, SB 275; eligibility to cast, HB 101
Ballot listing, order of, HB 263
Campaign contributions and expenditures, reporting of, SB 77
Candidate vacancies, filling of, HB 160
Challenges to voters, HB 686
Coercion by employees, cities of 2nd, HB 410
Financial disclosure, HB 23

Elections—continued
General election date, HB 269
Hours for voting, HB 200
Laws, study of, HR 11
Officers' instruction compensation, HB 290
Paper ballots, provision for, HB 213
Party officers, election of, HB 93
Presidential primary, HB 282
Primary date, HB 108
Recanvass: request notification, HB 113; requirement for, HB 38
Registration: at precincts, HB 55; branch offices for, SB 15; HB 469
Re-registration, HB 284
Signature book, addresses in, HB 259
Voting after polls close, HB 202

Emblems
Flag, U. S., display on motor vehicles, HB 623

Eminent Domain and Condemnation
Awards, determination of, HB 187
County road rights-of-way, HB 496
Highway relocation of persons, assistance for, HB 281
Procedures for, SB 35
Utilities: relocated by highway construction, compensation for, HB 416; authority for condemnation, SB 351
Water associations, authority for, HB 299

Evins, Missy
Elected Page, p. 6

Fairs
Local, use of state grants for improvements, HB 311
Sored horses, exhibiting, HB 604
State Fair Board: regulatory powers, HB 464; membership increment, SB 90

Fees
Bank regulatory fees, HB 621
Commissioners and receivers, circuit court, SB 108
Court clerks, increment, SB 89
Court reporters, HB 658
Justices of the Peace, HB 637
Notaries, SB 146
Notaries and other deposition takers, HB 602
Property valuation administrator, HB 79
Secretary of State, fund of deposit, HB 104
Sheriffs, increasing, HB 515
Witnesses, HB 77

Fiduciaries
Investment in VA mortgages, HB 276

Firearms
Carrying concealed, penalty for, SB 36; HB 532
City or county ordinances on, HB 660
Concealment by police, authorization of, HB 71
Licensure requirement, HB 524
Purchase in contiguous states, HB 32
Sales, reporting of, HB 391

Firemen
Cities of 3rd, division into platoons, HB 83
Civil Service Board membership, cities of 1st, HB 425
Collective bargaining, HB 509
Employee status, cities of 2nd and 3rd, HB 599
Employment and promotion examinations, cities of 2nd and 3rd, HB 371
Insurance, cancellation on motor vehicle, HB 85
Pensions, income tax exemption, HB 84
Standards commission, creation of, HB 64
Supplementary pay, HB 117
Suspension appeals, cities of 2nd and 3rd, HB 288
Vacation allowance, cities of 2nd, HB 106

Fire Prevention
Backfires, permission for, HB 236
City services availability study, HR 60
County districts, HB 528
Personal and property losses, reporting of, HB 689
Personnel standards commission, HB 64
Safety standards, enforcement of, SB 389

Fish and Wildlife
Boats, use of battery power on, HB 440
Licenses: dates for, HB 261; exemptions, HB 214; reciprocity agreements, HB 362
Wildlife sanctuaries, HB 565

Flood Control and Water Usage
Bridges, flood control modification, HB 449
Hardin County floodwall, request for, HR 19

Floyd, Lavey
Introduced: HB 16, 34, 64, 107, 175, 176, 220, 279, 285, 335, 336, 337, 338, 339, 340, 343, 344, 345, 496, 623, 712; HR 32, 46

Foods and Drugs
Dangerous drugs, SB 274, 358; HB 572
Drug transaction records, HB 355
Generic name for drugs, SB 152
Molasses labeling requirement, HB 411
Poultry and rabbit inspection, HB 102, 210

Forestry
Backfires, permission for, HB 236
Logging operations, regulation of, HB 448

Freeman, Glenn R.
Introduced: HB 1, 2, 3, 4, 12, 13, 24, 30, 34, 56, 85, 86, 113, 124, 147, 150, 164, 217, 245, 246, 281, 309, 322, 350, 361, 382, 396, 399, 422, 429, 432, 447, 448, 449, 469, 470, 552, 562, 577, 585, 623, 695, 712, 736, 744; HR 28, 30, 36, 49, 86, 92, 99, 114

Gambling
Bingo games, licensure to conduct, HB 408

General Assembly
Adjournment, SR 41, 83; HR 8, 13, 46, 47, 94, 95, 132
Appropriation for deficiency, SB 5
Bamberger, Representative Carl A., memorial to, HR 95
Bills, pre-filing of, SB 132
Brown, Representative Elmer L., honoring, HR 71
Brown, Representative John Y., invitation to address, HR 14
Budget, biennial, HB 5
Carroll, Speaker Julian M., commending, HR 130
Committee on air pollution standards, HR 17
Committees, appointment of, pp. 34-39
Committee to wait upon the Governor, HR 1
Constitutional amendments submitted, amendment on, HB 270
Contested seat, pp. 5, 61, 304
Education, omnibus study, HR 56
Employees, commending, HR 114
Financial disclosure by members, HB 23
Higher education study, SB 117
Independence, declaration of, HR 83
Inviting pastors for invocation, HR 2
Kidd, Representative Mae Street, honoring, HR 137
Legislative Auditor, SB 10
Legislative interns, commending, HR 77
McBrayer, Representative Terry, commending, HR 75, 131
McCann, Senator C. W. A., invitation to, HR 85
Members, certification and list of, pp. 1-5
Offices in districts, HB 633
Reapportionment Commission, HB 216
Rhodes, Gov. James A., invitation to, SR 69; HR 79
Rules, permanent, adoption of, HR 3; pp. 8-33
School districting, study of, HR 127
Sixty-Fourth and Sixty-Fifth Representative Districts, boundary realignment of, HB 138
Space availability study, HR 32
Tobin, Representative H. W., memorial to, HR 8
Transportation study committee, HR 65
Wells, Representative Dwight, gratitude to, HR 124

Governor
Bond issue message, p. 1295
Budget, biennial, HB 18
Budget Message, p. 65
Committee to wait upon, HR 1
Consumer protection message, p. 2696
Economic Advisors, Council of, HR 258
Education reforms message, p. 2704
Special education message, p. 2701
State of the Commonwealth Message, pp. 42-61
Voting and governmental reforms message, p. 2713
Welfare reforms message, p. 2710

Grain
Dealers, licensure, HB 53, 454
Moisture measuring devices, regulation of, HB 212

Graves, Ralph
Introduced: HB 1, 2, 4, 13, 19, 23, 56, 64, 67, 68, 83, 84, 94, 106, 147, 148, 149, 171, 193, 309, 350, 361, 420, 474, 577, 611, 612, 613, 614, 615, 616, 617, 618, 623; HR 28, 36, 63, 72, 114

Greene, John W.
Elected Chief Clerk, p. 6

Handicapped Persons
Commission on employment: applicability of provisions concerning, HB 114; appropriation to, SB 340
Public Buildings Use Board, SB 180
Vehicle license plates, SB 230

Haney, Joe W.
Introduced: HB 13, 34, 129, 131, 132, 133, 135, 151, 175, 176, 294, 295, 308, 577, 623, 669, 685; HR 21, 24, 53, 54, 63, 99, 114, 117

Hardin, John O., III
Introduced: HB 1, 2, 3, 4, 13, 34, 72, 90, 204, 289, 386, 418, 429, 518, 532, 535, 551, 623, 653; HR 28, 40, 63, 82, 100, 117

Hardin, L. T.
Introduced: HB 12, 17, 34, 52, 59, 60, 61, 107, 126, 171, 215, 226, 249, 271, 281, 496, 499, 501, 585, 623, 685, 702; HR 46, 78, 99, 105

Head, Joe
Introduced: HB 12, 13, 20, 49, 53, 75, 107, 119, 128, 175, 176, 212, 219, 275, 359, 454, 577, 712; HR 28, 32, 82, 86, 114

Health and Medicine
Adoption birth certificates, HB 375
Ambulance service, city and county, HB 178
Black lung, HB 12; research on, HR 53; information on, HR 54
Blood banks for profit, prohibition of, HB 687
Body parts, donation of, SB 7
Carnivorous pets, vaccination of, SB 267; HB 485
Child abuse, reporting of, HB 546
City-county boards, nurse member, SB 116, 124
Dangerous drugs, SB 274, 358; HB 572
DDT, regulation of, SB 67
Emergency aid liability exemption, HB 112
Health and Geriatrics Authority: expenditures, HB 251; actions, approval of, HB 250
Health and Welfare Agency repeal, HB 338
Ionizing radiation, use of, HB 607
Kidney Disease Institute, HB 252
Louisville, University of, dialysis kidney center appropriation, HB 253
Medical assistance: falsification of statements concerning, HB 336; optometric services under, SB 70
Medical school curriculum, HB 393
Mental patients, allowances for conveyance to hospitals, HB 124; commitment of, HB 593, 594
Nursing home administrators, licensure, HB 590
Open toilets, HB 615
Outpatient health facilities fund, HB 618
Poultry and rabbit inspection, HB 102
Prescription medicine, sales tax exemption, SB 4
Private home care, HB 387
Treatment for minors, juvenile court order for, HB 381
Tuberculosis control, SB 289; HB 688
Venereal disease: in minors, SB 193; control of, HB 592
Waste disposal, injunctions of violations, SB 384

Highways, Streets and Bridges
American Legion Memorial Highway, HR 76
Assessments for street improvement, cities of 1st, HB 329
Beacon light, request for, HR 93
Bridges, flood control modification, HB 449
C and O Bridge replacement, HR 38
Contractors, deposit of securities by, SB 198
County road: rights-of-way, condemnation of, HB 496; system, additions to, SB 127
Employees of state, vehicle liability insurance for, HB 397
Highway 55, construction of, HR 116
Lines along borders, HB 422
Pedestrian malls, cities of 1st, SB 186; HB 303
Public utilities: relocated by construction, compensation for, HB 416; condemnation by, SB 351
Railroad crossing: obstruction, HB 227; hazardous, urging reconstruction of, HR 57; designation as unsafe, SB 125
Relocation of persons, assistance for, HB 281

Highway, Streets and Bridges—continued
Right-of-ways, use of, HB 671
Road Fund appropriations, HR 68
Runner Roadside Park, HR 52
Toll road impact study, HR 90
Tolls, payment plan for, HR 34
West Point highways, hazardous conditions on, HR 18
Young, Paul E., roadside park memorial, HR 89

Hinkle, Brooks
Introduced: HB 1, 2, 3, 4, 8, 11, 13, 16, 34, 39, 40, 42, 48, 52, 59, 60, 61, 66, 140, 141, 142, 145, 147, 150, 223, 261, 271, 280, 282, 284, 309, 501, 510, 569, 577, 623, 634, 665; HR 48, 55, 58, 61, 63, 72, 99, 114, 117, 119

Historical Affairs
Curator, State, creation of, SB 402
Historical Events Celebration Commission, SB 283
Lincoln Heritage Trail, preservation of, HR 106
Sites, city and county acquisition of, SB 268
State Land Office records preservation study, HR 109
Young Historians, commending, HR 98

Holidays
Dates for observance, SB 115; HB 95
Hibernian Day, HR 111

Holloway, Edward L.
Introduced: HB 29, 137, 154, 162, 186, 216, 220, 363, 364, 365, 366, 369, 393, 610, 623, 688; HR 39, 46

Hospitals and Nursing Homes
City facilities, lease to districts of, SB 323
Fraud, protection against, HB 741
Homes for the aged, enforcement of regulations on, HR 97
Licensure requirements, SB 18
Mental patients, commitment procedure, HB 593
Physician in attendance, requirement of, HB 33

Housing
City commission membership, HB 614
Kentucky Housing Fund, HB 89
Low-income, financing of, HB 478
Municipal housing authorities, HB 185
Rat control, HB 612
Rent payment suspension, HB 613
Unfit dwellings: disposition by counties, HB 132; disposition of commercial structures, SB 303

Huff, Gene
Introduced: HB 16, 17, 20, 29, 48, 66, 150, 249, 279, 285, 324, 325, 326, 334, 335, 336, 340, 341, 342, 343, 345, 367, 368, 396, 406, 429, 436, 462, 585, 623; HR 44, 46, 63, 133

Hughes, Robert F.
Introduced: HB 1, 2, 3, 4, 13, 20, 23, 46, 64, 75, 76, 85, 86, 87, 88, 91, 100, 117, 119, 131, 137, 152, 154, 162, 172, 174, 177, 205, 206, 216, 219, 220, 222, 277, 278, 309, 327, 425, 475, 499, 502, 562, 646, 742; HR 5, 11, 28, 45, 63, 85, 86, 114, 117, 118, 136

Insurance
Assessment or cooperative companies: mutual status of, SB 122; HB 141; organization of, SB 114; HB 140, 199
Bail bondsmen, regulation of, HB 29
Comprehensive and collision coverage for motor vehicles, HB 695
Financial responsibility, HB 194
Guaranty Association Act, HB 184
Highway employees, vehicle liability coverage for, HB 397
Inheritance tax, policy proceeds exemption, SB 34
Licenses, fees and charges, increase of, HB 390
Medical practitioners' claims, equitable reimbursement of, HB 530
Motor vehicle coverage, HB 684
Motor vehicles of policemen and firemen, cancellation on, HB 85
Omnibus revision: SB 253; appropriation for, SB 341
Premiums tax, use of, HB 103
Riot reinsurance, "fair" plan of, SB 65
School employees, coverage for, HB 49
Theft and burglary claims, HB 698

Interstate Cooperation
Air Pollution Compact, HB 293
Corrections Compact, adoption of, SB 312
Education compact appropriation, HB 305
Education Personnel Qualification Compact, HB 74
Kentucky-Ohio Bridge Commission, HB 7
Lincoln Heritage Trail preservation, HR 106

Isler, John J.
Introduced: HB 1, 2, 3, 4, 7, 13, 20, 25, 26, 57, 58, 64, 83, 88, 101, 106, 110, 117, 138, 147, 153, 167, 195, 198, 202, 203, 213, 216, 219, 227, 233, 269, 295, 312, 349, 371, 408, 428, 576, 623; HR 23, 38, 50, 66, 76, 113, 117

Judges
Circuit judges, substitution by, HB 211
County Judge: succession to office, HB 165; quarterly expense allowance increment, HB 155
Judicial Council membership, HB 418
Orders and judgments of county court, signature of, HB 99
Police judge, cities of 2nd, annual salary, HB 576
Retirement, cities of 2nd, HB 331

Judicial Districts
Boyle and Mercer, creating, HB 50
Combination, study of, HR 25
Fifteenth district redefinition, HB 70

Judicial Districts—continued
First, redefinition of, HB 148
Fourth and Fifth, redefinition of, SB 24; HB 54; Third and Fourth, redefinition of, HB 507
Graves, creating, HB 148
Henderson, creating, SB 24; HB 54
Jefferson County, judges for, SB 12
Ninth District, additional judge for, HB 539
Thirteenth, redefinition of, HB 50
Thirty-Third District redefinition, HB 438

Juries and Jurors
Age, minimum, reduction of, SB 109
Commissioners' compensation, counties with 2nd, SB 291
Per diem and expenses, SB 227; HB 17, 120, 230
Petit, expense reimbursement, HB 581
Summoned and not impaneled, payment of, HB 82

Justices and Magistrates
Clerical assistants, SB 135
Courtroom and office, SB 288
Fees allowed, HB 637
Minimum monthly compensation, HB 42
Office expense allowance, HB 125
Salary increment, SB 195

Keene, Bernard
Introduced: HB 13, 16, 47, 72, 85, 95, 102, 198, 201, 212, 270, 311, 393, 442, 451, 452, 463, 464, 521, 601, 624, 701, 711, 712; HR 16, 24, 28, 43, 63, 90, 101, 114, 117

Keith, Ray Kenneth (R. K.)
Introduced: HB 17, 28, 34, 48, 56, 64, 72, 102, 110, 261, 309, 311, 442, 496, 548, 562, 623, 653, 712; HR 46, 63, 114, 117

Kelly, Stuart
Elected Sergeant at Arms, p. 6

Kenton, William G.
Introduced: HB 1, 2, 3, 4, 13, 85, 92, 126, 127, 146, 147, 152, 181, 195, 198, 200, 216, 217, 219, 226, 282, 286, 287, 290, 294, 295, 320, 395, 403, 407, 409, 410, 411, 412, 413, 466, 467, 537, 548, 571, 575, 576, 577, 611, 612, 613, 614, 615, 616, 617, 618, 623, 631, 633, 635, 637, 639, 642, 643, 709, 713, 740; HR 6, 16, 17, 24, 27, 28, 30, 55, 63, 64, 72, 91, 99,102, 107, 108, 110, 117, 126, 130, 131, 137

Kessinger, Theron
Introduced: HB 22, 34, 107, 132, 133, 138, 139, 215, 219, 227, 252, 253, 319, 357, 359, 496; HR 32, 46, 117, 136

Kidd, Mrs. Mae Street
Introduced: HB 1, 2, 3, 4, 13, 20, 46, 64, 75, 76, 88, 89, 117, 128, 131, 137, 154, 162, 163, 172, 177, 198, 216, 252, 366, 453, 478, 502, 535, 577, 610, 611, 612, 613, 614, 615, 616, 617, 618, 623, 624, 645; HR 13, 33, 45, 72, 132

King, Phillip E.
Introduced: HB 13, 25, 26, 129, 130, 131, 132, 133, 134, 135, 136, 138, 139, 153, 195, 219, 222, 227, 288, 290, 293, 294, 295, 319, 489, 497, 563, 564, 577, 623; HR 23, 63, 66, 88

Kleier, M. J. (Jerry)
Introduced: HB 1, 2, 3, 4, 13, 20, 46, 49, 64, 69, 75, 76, 78, 85, 86, 100, 113, 117, 128, 131, 137, 146, 147, 154, 162, 163, 177, 179, 186, 195, 196, 198, 205, 209, 216, 219, 220, 290, 295, 303, 327, 366, 372, 414, 425, 542, 572, 577, 604, 605, 628, 673, 697, 699, 700; HR 28, 45, 63, 101, 111, 117

Knuckles, Denver C.
Introduced: HB 1, 12, 34, 107, 215, 261, 294, 429, 459, 584, 623, 686; HR 11, 46, 80, 136

Labor
Arbitration, HB 433
Black lung, HB 12
Child labor, SB 319; HB 545
Collective bargaining rights, HB 508
Disputes, recruitment of labor during, HB 275
Employment Agencies, State Board of, HB 578
Firemen, collective bargaining by, HB 509
Minimum wage, HB 163
Minors, employment of, HB 186
Pay period requirement, HB 134, 169
Payroll deductions, explanation requirement, HB 135
Prevailing wage, SB 28
Public employees: collective bargaining by, HB 180; checkoff, HB 400
Unemployment compensation: benefits during work stoppage, HB 46; wages, exclusions in definition of, HB 580
Workmen's compensation: medical expense, selection of physicians, HB 67; disability compensation to dependents, HB 68; medical treatment, employer's share, SB 38; HB 80; payments in lump sum, HB 272; disability, definition of, HB 350; claims, time limit for, HB 505; death and disability benefits, increasing, HB 298; Special Fund claims, employer liability under, SB 91; functional disability or disfigurement, HB 560; loss of body parts, HB 561; employer, definition for self-insurance, SB 182; board decisions, filing with court of, SB 211; laws, study of, SR 52

Law and Order
Riot reinsurance, "fair" plan of, SB 65

Layson, Ruth
Elected Enrolling Clerk, p. 6

Legislative Research Commission
Administrative regulations, filing with Attorney General, HB 717
Ad valorem tax study, HR 84
Aged persons' needs, study of, HR 33
Appropriation for session expenses, HR 4
Budget, biennial, HB 5
Budget estimates, receipt of, HB 13
City-county consolidation, study of, HR 27
City laws, study of, HR 6
Election laws, study of, HR 11
Employees, commending, HR 114
Falmouth Reservoir Project, study of, HR 48
Family court system, study of, HR 30
Farm-related business and industry, study of, HR 24
General Assembly bills, pre-filing of, SB 132
Income tax credit study, HR 35
Judicial districts, combination, study of, HR 25
Land Office records preservation study, HR 109
Omnibus tax structure study, HR 28
Pollution by state agencies, study of, HR 110
Private-public education relationship study, HR 101
Railroad Commission study, HR 67
Sex education study, HR 113
Toll road impact study, HR 90
Uniform Consumer Credit Code study, SR 13
Workmen's compensation study, SR 52

Lewis, Richard H.
Introduced: HB 3, 4, 13, 17, 29, 35, 36, 37, 72, 147, 157, 159, 171, 248, 308, 318, 500, 505, 507, 514, 556, 557, 559, 560, 561, 577, 602, 611, 612, 613, 615, 616, 617, 618, 629, 659, 661, 662, 663, 664, 688, 717, 727; HR 24, 28, 63, 72, 82, 114, 130, 131

Libraries
Archives and records, state, HB 127
Department of Libraries, expansion of services by, HB 398
District taxes, petition for rate change, HB 156
Records, state, retention of, HB 238
Trustees, cities of 2nd, number of, SB 213

Licensing
Accountants, HB 490
Age for, generally, SB 245
Alcoholic beverage licenses, types of, HB 341
Alcolohic beverage sales by restaurants, HB 463
Bail bondsmen, HB 29
Barbering fees, increasing, SB 265
Barbers and cosmetologists, board fee allocation, SB 76

Licensing—continued
Bingo games, HB 408
Boats and boating, HB 680
Booking agents, repeal of provisions, HB 314
Chauffeurs, age for licensure, HB 15
Child care homes and centers: restaurant definition exemption, HB 377; provisions concerning, HB 644
Chiropractors, examination of, HB 608
Coal mining fee increment, SB 73
Contractors, HB 308
Dentists and hygienists, SB 51; HB 248
Dog licenses, date for, HB 510
Electricians: HB 455; inspectors, HB 683
Employment agencies, HB 578
Engineers, HB 63
Franchisors, HB 574
Grain dealers, HB 53, 454
Homes for the aged, enforcement of regulations on, HR 97
Hospitals, requirements for, SB 18
Hunting and fishing, dates for, HB 261
Insurance fees and charges, increase of, HB 390
Mine inspectors, HB 172
Mobile home dealers, HB 651
Motorcycle operators, SB 61
Motor vehicle operators: provisional occupational, HB 217; medical information on, HB 322; race information, deletion of, SB 192; revocation, appeal period prior to, SB 43; HB 738; implied consent warning, SB 184

Motor vehicle registration lists, release of, HB 699
Nursing home administrators, HB 590
Paint sprayers, SB 169
Petty loan fees, HB 620
Pharmacists, HB 323
Photographers, SB 354; HB 690
Physical therapists, SB 226
Physicians, administrative procedures for, HB 424
Plumbers and plumbing, SB 191
Podiatrists, annual training statements by, HB 700
Practical nurses, HB 557
Psychologists, fees, HB 693
Radiation sources, HB 591
Real estate brokers and salesmen, fees for, HB 736
Television and radio servicemen, HB 605
Trailer parks, HB 588
Vending machines, HB 734
Waste disposal sites, use of incinerators, HB 382
Weight and measuring devices, SB 197

Lindsay, Gross C.
Introduced: HB 1, 13, 43, 54, 68, 85, 86, 95, 96, 97, 98, 99, 143, 144, 147, 159, 201, 228, 229, 328, 332, 392, 468, 471, 473, 492, 493, 494, 519, 520, 551; HR 25, 27, 28, 63, 112, 114

Loans and Credit
Credit bureaus, regulation of, HB 708
Credit cards: crimes, SB 94; HB 118, 191; unsolicited, prohibition of, HB 439; liability, SB 92; written application for issue, HB 188
Credit unions, HB 88
Debt adjustment: prohibition of, HB 159; licensure requirement, HB 190
Financing statements, indexing of, HB 596
Foreign lenders, qualifications for business by, HB 360
Garnishment and attachment exemptions, HB 318, 512
Holder in due course, defenses against, HB 470
Industrial development loans, security for, SB 222
Industrial loan company interest charges, HB 395
Industrial revenue bonds, pollution facilities under, SB 206
Installment loans, repayment equality, HB 705
Interest rates: usury maximum, increase in, SB 139; HB 218, 432, 518; public agency obligations, SB 96; disclosure and limitation, HB 622; revenue bond anticipation notes, SB 371
Mortgages: VA lenders, HB 276; foreign associations, provisions governing, HB 497; recording and indexing, SB 138; default or abandonment, possession of property following, HB 87; foreclosures, attorney's fees for, HB 228; ten percent interest authorization, HB 461
Petty loans: HB 307; company license fees, HB 620
Production credit associations, regulation of, HB 22
Revolving credit charges, SB 93
Savings and loan associations: dividends and deposits, HB 279; mechanical deposit takers, HB 174
Uniform Consumer Credit Code study, SR 13

Louden, W. J. (Jay)
Introduced: HB 1, 13, 25, 26, 27, 28, 66, 71, 128, 216, 252, 253, 309, 397, 408, 489, 506, 527, 562, 577, 623; HR 63, 66, 114, 117

Lovins, E. Guy
Introduced: HB 1, 2, 3, 4, 62, 113, 128, 157, 171, 175, 176, 219, 248; HR 21, 28, 114, 117

Massey, George T., Jr.
Introduced: HB 13, 28, 51, 171, 186, 215, 218, 309, 402, 429, 435, 550, 577, 623, 626, 627, 658, 684, 705, 721, 730; HR 5, 52

May, Marrs Allen
Introduced: HB 1, 2, 3, 4, 12, 13, 17, 32, 52, 73, 74, 90, 107, 118, 123, 147, 247, 280, 282, 458, 482, 483, 511, 512, 513, 538, 550, 577, 596, 623, 666, 675, 726; HR 63, 99, 114, 117, 134

McBrayer, W. Terry
Commendation to, SR 75, 131
Elected Majority Floor Leader, p. 6
Introduced: HB 1, 2, 3, 4, 5, 13, 29, 65, 147, 150, 159, 219, 250, 251, 333, 370, 390, 437, 439, 526, 577, 598, 623, 625, 734, 737; HR 1, 2, 3, 4, 7, 35, 40, 59, 68, 72, 77, 78, 99, 114, 117

McBride, Joseph
Introduced: HB 1, 12, 13, 64, 85, 86,95, 96, 113, 171, 581; HR 28, 72, 82, 93

McCann, William H.
Introduced: HB 2, 3, 4, 13, 92, 127, 147, 159, 216, 219, 255, 256, 280, 283, 286, 287, 296, 361, 472, 499, 532, 551, 571, 575, 582, 583, 623, 691, 707, 708; HR 28, 30, 55, 64, 102, 127

McGill, Hughes E.
Introduced: HB 739

McKinney, Lloyd
Introduced: HB 16, 17, 28, 33, 34, 52, 61, 110, 150, 171, 215, 222, 261, 294, 495, 501, 585, 685; HR 46, 63, 136

McNamara, Mrs. Nell Guy
Introduced: HB 1, 2, 3, 4, 13, 14, 15, 16, 17, 20, 52, 66, 74, 107, 118, 147, 150, 199, 223, 271, 280, 284, 291, 309, 451, 452, 458, 501, 623; HR 8, 11, 59, 63, 99, 117, 124

Memorials
Bamberger, Representative Carl A., HR 95
Brown, J. Graham, HR 81
Diddle, Edgar Allen, HR 5
Johnson, Governor Keen, HR 47
King, Martin Luther, Jr., HR 13
Kirkpatrick, Thomas L., HR 94
Lincoln, Abraham, HR 46
Runner Roadside Park, HR 52
Tobin, H. W. "Wathen", HR 8
Young, Paul E., roadside park memorial, HR 89

Mental Health
Alcoholics, involuntary hospitalization, procedures for, SB 274; HB 587
Commitment procedure, HB 593, 594
Patients, conveyance to hospitals, mileage allowance for, HB 124
Patients' examination fees, payment of, HB 139
Private home care, HB 387

Mershon, Carl
Introduced: HB 1, 2, 3, 4, 7, 13, 20, 25, 26, 64, 77, 78, 79, 83, 84, 88, 89, 91, 101, 117, 131, 147, 177, 195, 198, 213, 217, 219, 227, 271, 295, 349, 393, 407, 408, 467, 576 577, 611, 612, 613, 614, 615, 616, 617, 618, 623, 624, 635; HR 9, 23, 38, 50, 63, 66, 76, 88, 110, 117

Military Affairs
Cemetery system: national, expansion of, HR 15; state burial ground, HB 603
Code of Military Justice, HB 208
Distinguished Service Medal, HR 51
Militia, employment credit for service, HB 273
National Guard service: state employment credit for, HB 465; definition of, HB 534

Miller, Clarence R. (Dumps)
Introduced: HB 1, 2, 3, 4, 5, 13, 20, 46, 64, 69, 75, 84, 85, 86, 88, 91, 100, 113, 117, 137, 154, 163, 177, 180, 195, 216, 252, 253, 275, 303, 323, 327, 393, 408, 425, 502, 503, 576, 724; HR 45, 63, 89, 117

Mining
Black Lung, HB 12, 116; research on, HR 53; information on, HR 54
Coal Research Board, license fee increment for creation of, SB 73
Emergency care vehicles, HB 447
Inspectors' reexaminations, HB 172
Licensure provisions, HB 115
Miners, pulmonary examinations for, SB 281
Regulations concerning, HB 626, 627
Strip mining: prohibition in soil and water districts, HB 229; regulation of, HB 473; property owners' permission requirement, HB 492; local option election, HB 493

Mitchell, Ralph
Introduced: HB 1, 2, 4, 13, 16, 29, 44, 111, 112, 155, 156, 171, 276, 296, 309, 351, 352, 500, 623, 737; HR 15, 29, 63, 72, 114

Motor Carriers
Busses, dimensions and definition of, SB 304
Cargo cover requirement, HB 131
Excise tax payment security, HB 234
Household goods certificates, SB 212
Log transporters, special fees, HB 325
Registration fee exemption, HB 459
Taxicabs at airports, prohibition of exclusive franchise, HB 476
Tour busses, SB 234
Weight limit violations, HB 725

Motor Vehicles
Abandoned, deposit for recovery, HR 73
Accident reports, SB 42

Motor Vehicles—continued
Brake light requirement, SB 44
Busses, dimensions and definition of, SB 304
Certificate of Title Act, HB 703
Chauffeurs, age for licensure, HB 15
Damages by another, owner's liability for, HB 431
Emergency vehicles, equipment required, SB 156
Financial responsibility, HB 194, 405
Flag, U. S., display on, HB 623
Flashing lights, HB 506
Gasoline, untaxpaid, purchase of, HB 721
Handicapped persons, special license plates for, SB 230
Historic vehicles, age for definition as, SB 129
Implied consent: HB 389; warning concerning, SB 184
Inspection, Division of, HB 679
Insurance coverage, HB 684
License plates for veterans, HB 161
Motorcycle operators' licenses, SB 61
Noise control, HB 484
Operators' licenses; provisional occupational, HB 217; medical information on, HB 322; race information, deletion of, SB 192; revocation or suspension, appeal period prior to, SB 43; HB 677, 738; implied consent warning, SB 184; driver training requirement, HB 553
Reflectorized license plates, HB 309
Registration: lists, release for advertising, HB 699; financial responsibility requirement, HB 133
Slow-moving vehicle emblem, HB 201
Speed limits: near schools, SB 80; after dark, HB 536
Tour busses, SB 234
Uninsured motorists, additional registration fee for, HB 552
Use tax, exemptions, HB 1, 409; price definition for computation, HB 72

Murphy, James E.
Introduced: HB 1, 2, 3, 4, 13, 25, 26, 28, 64, 71, 77, 78, 79, 110, 117, 129, 130, 132, 135, 147, 172, 179, 195, 198, 204, 224, 227, 263, 288, 293, 294, 295, 330, 349, 408, 489, 496, 500, 530, 577, 623, 624, 690; HR 23, 63, 66, 76, 88, 95, 114

Murphy, Ray
Elected Janitor, p. 6

Nett, Carl A.
Introduced: HB 1, 2, 3, 4, 13, 20, 46, 49, 64, 67, 68, 69, 76, 78, 85, 86, 88, 89, 100, 113, 119, 131, 146, 150, 154, 162, 163, 172, 177, 196, 197, 198, 201, 209, 215, 216, 219, 220, 222, 280, 282, 284, 296, 303, 327, 372, 425, 503, 577, 610, 611, 612, 613, 614, 615, 616, 617, 618, 628, 673, 697; HR 28, 32, 45, 72, 86, 98, 101, 114

Notaries
Absentee ballot fee, SB 146
Deposition, fee for taking, HB 602
Uniform Recognition of Acknowledgements, adoption of, SB 286

Notices
Ordinance publication, cities of 5th and 6th, HB 98
Publication by broadcast, SB 179

Nuisances
Open toilets, HB 615
Rat control, HB 612
Weeds, grass and rubbish in cities, prohibition of, SB 177

Obscene Matter
Theater operators' exemption, HB 254

Occupations and Professions
Accountants, licensure of, HB 490
Age for licensure, generally, SB 245
Bail bondsmen, regulation of, HB 29
Barbers and cosmetologists, board fee allocation, SB 76
Booking agents, repeal of licensure provisions, HB 314
Chauffeurs, age for licensure, HB 15
Contractors, licensure of, HB 308
Debt adjustment, prohibition of, HB 159
Engineers, licensure of, HB 63
Franchisors, registration by, HB 574
Miners, pulmonary examinations for, SB 281
Nursing home administrators, licensure, HB 590
Paint sprayers, licensure of, SB 169
Pharmacists, licensure of, HB 323

Oil and Gas
First commercial oil well, HR 78
Pipeline: safety violations, HB 692; removal or rate increase, HB 164

Osborne, James I.
Introduced: HB 16, 50, 186, 209, 218, 227, 270, 363, 364, 365, 373, 374, 375, 376, 377, 378, 379, 380, 381, 429, 443, 623, 634, 702, 712; HR 32, 39, 42, 43, 46, 111, 116

Parish, Omar
Introduced: HB 1, 2, 3, 4, 12, 13, 67, 68, 182, 193, 194, 252, 253, 557; HR 63, 82, 86, 117, 119, 136

Parks and Shrines
Blue Lick State Park lodge request, HR 61
First Commercial oil well, HR 78
Jefferson County State Park Commission, HR 45
Local, state aid for, HB 611
Public ways, closing of, HB 567
Simon Kenton Shrine Commission, HR 86
Thoroughbred State Park, establishment of, HB 92
Wildlife sanctuaries, HB 565

Partnerships
Limited, regulations concerning, SB 172
Property, inheritance tax exclusion, SB 252

Paxton, Billy R.
Introduced: HB 1, 2, 3, 4, 12, 13, 23, 159, 171, 182, 193, 194, 215, 261, 320, 322, 360, 361, 442, 532, 549, 550, 586, 720; HR 28, 63, 94, 114

Peak, Bart N.
Introduced: HB 1, 2, 3, 4, 13, 89, 92, 127, 147, 216, 255, 256, 286, 287, 446, 472, 499, 535, 543, 571, 575, 600, 702; HR 28, 30, 63, 64, 72, 102, 114, 117

Pests and Pesticides
DDT, regulation of, SB 67
Pesticide Review Board, HB 672

Physicians and Practitioners
Dangerous drugs, HB 572
Dentists and hygienists, licensure of, SB 51
Internship training without licensure, authorizing, HB 472
Licensure, recognition of, HB 606
Man, Dr. Pang Ling, residence requirement for, HR 121
Mental patients' examination fees, HB 139
Physical therapists, practices by, SB 226
Podiatrists, annual training statements by, HB 700
Practical nurses, grandfather license, HB 557
Psychologists, license fees, HB 693
Slander by, HB 573

Planning and Zoning
Air navigation facilities, air board jurisdiction concerning, HB 417
Area planning, HB 176
Conditional use permit cancellation, HB 44
Joint city-county commission membership, HB 740
Structures near airports, height of, HB 426
Subdivision, definition of, HB 649

Plumbers and Plumbing
Definitions concerning, SB 191
Code standards, HB 694
State code, administration of, HB 653

Police—City and County
Auxiliary forces, cities of 5th and 6th, HB 21
Civil Service board membership, cities of 1st, HB 425
Conviction for moral turpitude, bar to employment, HB 182
County merit boards, HB 220
Deadly weapons, concealment of, HB 71
Death benefit, HB 78

Police—City and County—continued
Employment and promotion examinations, cities of 2nd and 3rd, HB 371
Insurance, cancellation on motor vehicle, HB 85
Law enforcement foundation program, HB 526
Radios, possession of, SB 290
Safety standards, enforcement of, SB 389
Special local peace officers, SB 241
Supplementary pay, HB 195
Suspension appeals, cities of 2nd and 3rd, HB 288

Police—State
Attorney General investigations, participation in, HB 720
Conviction for moral turpitude, bar to employment, HB 182
Deadly weapons, concealment of, HB 71
Detectives, clothing allowance for, HB 676
Jurisdiction, HB 696
Per diem allowance, HB 678
Retirement, SB 59

Political Parties
Committeemen, precinct election of, HB 723
Officers, balloting at primary elections, HB 93

Pollitte, Bert Ed
Introduced: HB 1, 2, 3, 4, 13, 30, 34, 56, 147, 150, 281, 296, 309, 322, 360, 361, 429, 440, 458, 550, 623; HR 49, 53, 54, 99

Prather, Joseph W.
Elected Majority Whip, p. 6
Introduced: HB 1, 2, 3, 4, 13, 16, 128, 147, 209, 219, 310, 333, 370, 441, 479, 480, 539, 587, 747; HR 7, 28, 63, 79, 114, 117, 118

Priddy, Mrs. Dorothy (Dotty)
Introduced: HB 1, 2, 3, 4, 13, 16, 20, 21, 49, 64, 69, 75, 76, 88, 89, 100, 113, 117, 131, 135, 137, 154, 162, 163, 169, 177, 195, 209, 216, 219, 220, 222, 275, 292, 296, 327, 330, 372, 490, 504, 623, 624, 697; HR 28, 45, 117, 129

Probation and Parole
Eligibility, time required for, HB 554
Misdemeanants, parole of, SB 100; HB 471, 537
Parolees, reconvicted, sentencing of, SB 151

Property
County custody of property: damage actions concerning, HB 715; control and disposition of, SB 207
Eminent domain awards, determination of, HB 187
Garnishment and attachment exemptions, HB 318, 512

Property—continued
Investments by banks, HB 460
Real estate: conveyance instruments, address requirement, HB 36
Riot reinsurance, "fair" plan of, SB 65
Title instruments, indexing of, HB 596

Property Tax
Aged persons' assessment reduction, HB 121
Agricultural land value amendment, implementation of, SB 259; HB 442, 571
Appreciation in value, assessment redefinition for, HB 348
Broadcast equipment, definition for ad valorem taxes, HB 145
Capital improvements, exemption for, HB 312, 617
Compensating rate: levy of by school districts, HB 451; levy by cities and counties, HB 452; impacted area revenue loss, adjustment for, SB 386; limit removal, SB 231; redefinition of, HB 579
Delinquency collection, addition of property removal cost, HB 479
Delinquency sales, cities of 3rd, HB 152, 520
Equalization of assessments, HB 467
Homestead exemption amendment, HB 147
Lien notice requirement, HB 445
Net assessment growth, definition of, HB 498
Property valuation administrator, fees of, HB 79
School districts: compensation for less-than-maximum rate levy, HB 468; rate increment, HB 522
Valuation increment notice, certified mailing of, HB 245

Public Assistance
Application in person, authorizing, HB 558
Eligibility and amount, income determination, HB 48
Grants, reduction of, HB 266
Homes for aged or infirm, eligibility of residents, HB 731
Medical assistance: optometric services under, HB 171; chiropractic services under, HB 533
Old age assistance, nursing care allowance, HB 247
Recipients, employment and eligibility, HB 429
Resources, determination of, HB 73
Social Security benefit increment, effect of, HB 436
Widows, eligibility of, HB 396

Public Buildings and Grounds
Air duct linings, HB 743
Auditorium loan fund, cities and counties, HB 616
General Assembly space availability, HR 32
Highway right-of-ways, use of, HB 671
State property title abstract contents, HB 242
Use by Handicapped, Board to facilitate, SB 180
Vending stands and machines, HB 667

Public Defenders
Established, SB 261; HR 739

Public Officers and Employees
Aldermen, cities of 1st, salaries of, HB 321
Campaign contributions and expenditures, reporting of, SB 77
City councilmen's freeholder requirement, HB 62
City employees: seniority for vacancies, HB 130; hospitalization benefits, HB 295; pension fund tax, cities of 2nd, HB 354
Civil service: cities of 4th, exclusions, HB 10; cities of 1st, police and firemen board members, HB 425; cities of 1st, board members per diem increment, HB 502
Collective bargaining, requirements for, HB 180
Commissioners and receivers, circuit court, compensation of, SB 108
Commonwealth's Attorneys, salaries and expenses, SB 284
Constables' expense allowance, HB 151
Coroners, study of, HR 70
County commissioners' districts, reapportionment of HB 81, 650
County employees: hospitalization benefits, HB 295; disability retirement, SB 188
County officers: salary increment, SB 30; HB 65; deputies, compensation review for, HB 260; branch offices for, SB 294
County Judge: succession to office, HB 165; quarterly expense allowance increment, HB 155
Court clerks: offices, location of, HB 205; fees, increasing, SB 89
Curator, State, creation of, SB 402
Detectives, state, clothing allowance for, HB 676
Dog wardens, powers of, HB 634
Elected officials travel reimbursement, HB 386
Financial disclosure, HB 23
Firemen, collective bargaining by, HB 509
Health, Commissioner of, salary maximum, HB 589
Highway employees, vehicle liability insurance for, HB 397
Income source disclosure, HB 144
Justices: office expense allowance, HB 125; courtroom and office, SB 288; salary increment, SB 195
Merit system, state, veterans' dependents' preference, HB 111
National Guard service, state employment credit for, HB 465
Personnel Board, State, membership of, HB 551
Property valuation administrator, fees of, HB 79
Railroad Commissioners, salary increment, HB 357
Receipt and disbursement statements, HB 735
Reemployment following military service, HB 443
School employees: conflict-of-interest exemption, HB 34; insurance coverage for, HB 49
Sheriffs: prisoner maintenance allowance, HB 264
State employees: travel expense allowance, HB 237; HB 386; vacation time, HB 401; disability retirement, SB 188; group life insurance, bids on, HB 628
Teachers: sabbatical leave for, HB 60; reemployment denial, reason for, HB 59; sick leave, HB 142; non-public, certification, HB 365; personal leave, HB 61; strike rejection, commendation for, HR 58; salary differentiation, HB 363; para-professionals and aides, SB 228; HB 369; professional negotiations, HB 215; salary increment, SB 215; HB 450, 702; jury duty, salary during, HB 569

Public Officers and Employees—continued
Water district commissioners, appointment and compensation of, HB 319

Public Salaries
Aldermen, cities of 1st, salaries of, HB 321
Civil Service Board members, cities of 1st, per diem increment, HB 502
Commonwealth's Attorneys, increment, SB 284
County officers: salary increment, SB 30; HB 65; deputies, compensation review for, HB 260
Court reporters, SB 285
District detectives, HB 710
Highways: Health and Mental Health, salaries of commissioners, SB 406
Jurors, SB 227
Jury commissioners, counties with 2nd, SB 291
Justices of the Peace, SB 195
Police judge, cities of 2nd, annual salary, HB 576
Railroad Commissioners, increasing, HB 357
School bus drivers and janitors, minimum for, HB 122
Teachers, increasing, HB 450, 702

Public Utilities
Cities defined as utilities, HB 404
Convenience and necessity application evidence, HB 718
Cooperative bonds, interest rate maximum deletion, HB 351
Cooperatives, use of name by, HB 632
Electric boards, city, tax equivalent payments, HB 659
Eminent domain authority, SB 351
Gross receipts, sales tax exemption, HB 94
Highway construction relocation, compensation for, HB 416
Operation by cities, SB 112
Pipeline safety violations, HB 692
Telephone rates, single county calls, HB 56; investigation request, HR 92
Transit authorities, establishment of, HB 414
Transmission lines along highways, HB 674
Water districts: appointment of counsel by, HB 123; commissioners, appointment and compensation of, HB 319

Public Works
Municipal improvements, financing of, HB 402
Prevailing wage, SB 28

Purchasing
State agency requirements, definition of, HB 233
State contracts: investigation of, HR 20; report concerning, p. 669; use by local government, HB 204

Racing
Commission, actions and orders by, SB 388; HB 691
Pari-mutuel "breaks", allocation of, HB 563
Pari-mutuel tax, HB 491
Resident employee requirement, HB 564
Thoroughbred State Park, establishment of, HB 92

Railroads
Accidents, reportability of, HB 137
Commissioners, salary increment, HB 357
Commission, study of, HR 67
Crew requirements, HB 119
Crossing: obstruction, relief from responsibility, HB 227; hazardous, urging reconstruction of, HR 57; designation as unsafe, SB 125; gate or flagman requirement, HB 170
Debris and trash accumulation, prohibition of, HB 110

Rattliff, Herman W.
Introduced: HB 16, 17, 52, 161, 209, 249, 281, 496, 685; HR 32, 46, 63, 116

Ray, Tom
Introduced: HB 1, 2, 3, 4, 13, 20, 28, 33, 46, 49, 64, 69, 75, 76, 78, 83, 84, 85, 86, 88, 89, 100, 110, 112, 117, 131, 137, 146, 154, 162, 163, 168, 169, 177, 180, 195, 197, 209, 215, 216, 219, 220, 222, 227, 252, 253, 293, 296, 307, 321, 327, 425, 433, 489, 503, 509, 533, 554, 623, 687, 719, 743; HR 28, 45, 67, 72, 117

Real Estate
Building exhaust fumes emission, HB 652
Capital improvements, tax exemption, HB 617
Dwellings, unfit: disposition of by counties, HB 132; disposition of commercial structures, SB 303; HB 503
Eminent domain: awards, determination of, HB 187; procedures, SB 35
Glass doors and panels, safety glazing of, HB 353
Housing authorities, HB 185
Instruments of conveyance, address requirement for recording, HB 36
Low-income housing, financing of, HB 478
Mortgages: VA lenders, HB 276; foreign associations, provisions governing, HB 497; interest limit, HB 622; recording and indexing, SB 138; default or abandonment, possession of property following, HB 87
Owner's liability, HB 504
Rent payment suspension, HB 613
Sale for tax delinquency, cities of 3rd, HB 152
Subdivision, definition for planning requirements, HB 649
Transfer tax, exemption for cities and counties, HB 11
County commissioner districts, HB 81, 559, 650
Kentucky Reapportionment Commission, HB 216

Reed, E. T. (Tommy)
Introduced: HB 1, 2, 3, 4, 7, 147, 271, 408, 466, 568, 577, 624, 702, 704, 712; HR 21, 23, 24, 31, 63, 76

Registration and Purgation
Administrative provisions, HB 682
Branch registration offices, SB 15; HB 469
Precinct registration, HB 55
Re-registration, HB 284

Retirement and Pensions
City fund audits, HB 97
County employees' disability, SB 188
County officials, HB 419
Credit union employees, state retirement for, HB 453
Federal civil service, income tax deduction, HB 219
Police and firemen, cities of 2nd, HB 713
Police judges, cities of 2nd, HB 331
Property tax for pension fund, cities of 2nd, HB 354
State employees: disability, SB 188; service credit requirements, HB 531
State Police: SB 59; radio dispatchers and technicians, coverage for, HB 647
Teachers' retirement: age and date for, HB 52; survivors' benefits, HB 150; trustees, voting by retirees for, SB 168; state contributions for county or state service credit, HB 8; pre-1941 retirement allowance, HB 126; survivors' allowances, HB 481; disability retirement, HB 486; benefit computation, HB 501, 541; early retirement, benefit reduction for, HB 643; absence, deposits during, HB 716; trustees, number of, HB 719

Reynolds, Russell
Introduced: HB 13, 34, 88, 89, 309, 395; HR 89, 99, 117, 125

Reynolds, T. P. (Tim)
Introduced: HB 12, 33, 34, 52, 150, 151, 164, 268, 361, 584, 623, HR 53, 54, 99

Reynolds, W. J.
Elected Majority Caucus Chairman, p. 6
Introduced: HB 1, 2, 3, 4, 12, 13, 20, 29, 52, 67, 68, 123, 147, 150, 151, 152, 159, 193, 194, 252, 253, 272, 281, 296, 308, 309, 361, 370, 395, 587, 669; HR 40, 63, 72, 79, 99, 114

Rickert, Jon E.
Introduced: HB 13, 16, 29, 41, 43, 63, 95, 159, 201, 219, 289, 310, 347, 421, 442, 462, 487, 521, 539, 551, 574, 649, 667; HR 18, 19, 25, 27, 28, 40, 63, 103, 114, 117, 118

Roberts, Dan J.
Introduced: HB 1, 2, 3, 4, 13, 25, 26, 64, 70, 71, 117, 147, 150, 153, 170, 195, 209, 216, 309, 323, 384, 484, 553, 579, 597, 636, 668, 722, 723; HR 23, 66, 70, 73, 76, 88, 114, 127

Ruh, Carl J.
Introduced: HB 1, 2, 3, 4, 7, 13, 25, 26, 38, 64, 77, 78, 79, 101, 110, 114, 131, 147, 150, 195, 198, 227, 231, 252, 253, 263, 290, 295, 300, 349, 353, 393, 408, 429, 577, 623, 624, 650, 672, 702; HR 9, 11, 20, 23, 28, 50, 63, 66, 76, 77, 83, 88

Safety
Boiler safety, HB 337, 423
Building exhaust fumes emission, HB 652
Fire, lightning and explosion losses, reporting of, HB 689
Glass doors and panels, safety glazing of, HB 353
High voltage line workers, HB 330
Industrial Safety Board regulations, applicability of, HB 197
Mine emergency care vehicles, HB 447
Pipeline safety violations, HB 692
School shops and laboratories, standards for, HB 352
Standards, enforcement of, SB 389
Tree trimmers, qualifications for, HB 173

Sales
Court-ordered, terms of, HB 90

Sales and Use Tax
Bookstores, university, liability for, HB 583
City or county levy, HB 179
Exemptions, repeal of, HB 372, 385
Food consumed off-premises, exemption, HB 58, 100, 420
Low income food exemption, HB 30
Motor vehicle use tax: exemptions, HB 1, 313; price definition for computation, HB 72
Political subdivision purchases, exemption, HB 203, 392
Prescription medicine, exemption of, SB 4; HB 316
Rate reduction, HB 149
Tangible personalty exemption, HB 332

Salyers, Johnnie M.
Introduced: HB 1, 3, 4, 12, 13, 16, 17, 24, 32, 33, 34, 52, 56, 59, 60, 61, 64, 73, 74, 85, 86, 110, 120, 121, 145, 147, 150, 164, 170, 215, 247, 268, 296, 305, 359, 361, 486, 495, 531, 535, 541, 577, 584, 623, 660, 735; HR 32, 36, 99, 114

Schmidt, Arthur L.
Elected Minority Caucus Chairman, p. 7
Introduced: HB 25, 26, 153, 198, 233, 234, 235, 236, 237, 238, 239, 240, 241, 242, 243, 244, 313, 314, 315, 316, 317, 340, 349, 363, 364, 365, 369, 408, 429, 462, 491, 540, 601, 623, 667, 669, 682, 688; HR 9, 39, 46, 63, 65, 76, 88, 95, 117

Secretary of State
Corporation address and process agent verification, HB 638
Fees collected, fund allocation, HB 104
Process agent, resignation by, HB 487

Securities
Bonds of cooperatives, interest rate maximum deletion, HB 351
Manual signature requirement, SB 280
Nonresident decedent, transfer of securities, HB 609
Registration: by coordination, HB 434; requirements concerning, HB 226

Sex Education
Prohibition, HB 57
Study of, HR 113

Sharpe, Clifford
Introduced: HB 48, 61, 107, 126, 161, 171, 195, 215, 226, 261, 271, 279, 281, 285, 429, 443, 495, 496, 501, 548, 685; HR 46, 78

Sheriffs and Constables
Branch offices, SB 294
Constables' expense allowance, HB 151
Deputies' acts, liability for, HB 265
Fees allowed, increasing, HB 515
Prisoner maintenance allowance, counties with 1st, HB 264
Tax collection: cost of property removal, addition to bill, HB 479; in justices' districts, HB 516; fees authorized, HB 517

Siemens, George R.
Introduced: HB 1, 2, 3, 4, 13, 17, 20, 21, 34, 49, 64, 67, 68, 69, 75, 76, 77, 100, 113, 117, 119, 131, 137, 146, 147, 154, 162, 163, 172, 173, 179, 180, 193, 194, 195, 197, 204, 209, 216, 219, 220, 225, 227, 230, 275, 292, 293, 296, 303, 327, 330, 372, 408, 456, 503, 535, 580, 611, 612, 613, 614, 615, 616, 617, 618, 623, 645, 739; HR 28, 45, 63, 119

Simmons, T. C.
Introduced: HB 17, 29, 34, 66, 164, 171, 201, 260, 261, 334, 335, 336, 337, 338, 339, 340, 343, 344, 345, 393, 443, 457, 501, 623, 646, 648, 654; HR 46, 62, 63, 136

Sisk, Susan
Elected Page, p. 6

Special Districts
Community improvement districts, counties with 1st, SB 387; HB 555
County fire protection districts, HB 528
Garbage disposal districts, HB 744
Hospital districts, lease of city facilities by, SB 323

Special Districts—continued
Levee district, cooperation by counties for, HB 19
New community districts, HB 320
School districts: foundation program guarantee increment, HB 601; reduction in number of, HB 597; merger of, HB 707
Soil and water district elections, voter eligibility concerning, HB 241
Water districts: appointment of counsel by, HB 123; commissioners, appointment and compensation of, HB 319; engineer's bond requirement, HB 37; costs, county assumption of, HB 109; fluoridation by, HB 428; sewage disposal by, HB 636
Watershed district: discontinuance, HB 157; directors' terms, HB 235

State Agencies
Air Pollution Control Commission: membership, HB 3; standards, urging adoption of, HR 17; jurisdiction of, SB 378; HB 540
Banking, Department of, administrative procedures, HB 285
Boating, Division of, abolition, HB 679, 680
Boiler Rules, Board of, HB 423
Bond issue, general, SB 359; HB 646
Bonds of, interest rate limit removal, SB 96
Children and Youth, Commission on, youth members of, HB 566
Children's Advisory Council membership, HB 379
Child Welfare, Department of, Advisory Councils for, HB 380
Clients, information on, HB 544
Coal Research Board, creation of, SB 73
Commerce, Department of, reorganization, SB 221
Computerized records, SB 257
Conservation and Environmental Council, HB 421
Consumer Protection, Citizens Commission on, HB 347
Contracts by: investigation of, HR 20; report concerning, p. 669; let without bidding, HB 669
Corrections, Department of, capital construction approval exemption, SB 327
Curator, State, creation of, SB 402; HB 745
Eastern Kentucky development request, HR 99
Economic Advisors, Governor's Council of, HB 258
Economic Security, Department of, reorganization, HB 343
Educational Innovation, Task Force on, HR 39
Education, Public, Survey Commission on, SR 63
Education, State Board, secretary of, SB 232
Elected officials travel reimbursement, HB 386
Electronic Data Processing, Division of, HB 240
Employees: travel expense allowance, HB 237; vacation time, HB 401; disability retirement, SB 188
Employment Agencies, State Board of, HB 578
Fair Board, State: regulatory powers, HB 464; membership increment, SB 90
Farm Development Authority, creation of, HB 577
Fire Protection Personnel Standards, Commission on, HB 64
Fiscal Management, Division of, HB 239
Handicapped, Commission on Employment of, SB 340; HB 114

State Agencies—continued
Health and Geriatrics Authority: expenditures, HB 251; actions, approval of, HB 250
Health and Welfare Agency repeal, HB 338
Health, Department of, reorganization, HB 415
Highways, Health and Mental Health, commissioners' salaries, SB 406
Historical Events Celebration Commission, SB 283
History of Kentucky information, dissemination of, HR 59
Horse Show Commission, creating, HB 283
Industrial Development Finance Authority, SB 222
Jefferson County State Park Commission, HR 45
Judicial Council membership, HB 418
Law Department, fines and penalties fund, HB 625
Libraries, Department of, operations by, HB 398
Merit system, veterans' dependents' preference, HB 111
Mine inspectors, Periodic Reexamination Board, HB 172
Mobile Home Dealers License Board, HB 651
Operations, school instruction on, HR 41
Personnel Board membership, HB 551
Pollution by, study of, HR 110
Previous fiscal year balances, warrants against, HB 243
Professional Practices Commission membership increment, HB 394
Program Development Office, HB 175, 176
Publications, State Committee for, HB 598
Public Buildings Use by Handicapped, Board to Facilitate, SB 180
Public Safety, Department of, divisional reorganization, HB 679
Purchases, requirements concerning, HB 233
Racing Commission, SB 388; HB 691
Railroad Commission study, HR 67
Reapportionment Commission, HB 216
Simon Kenton Shrine Commission, HR 86
Tobacco Research Board, creation of, HB 466
Tuberculosis Control Division, SB 289; HB 688
Urban Affairs Council, HR 91
Water Pollution Control Commission membership, SB 276; HB 370
Women, Commission on, creation of, SB 23

Statutes
Obsolete sections, repeal of, HB 729
Revisor's bill, SB 153

Stokley, Addie
Elected Assistant Clerk, p. 6

Stuart, Eugene P.
Elected Minority Whip, p. 7
Introduced: HB 137, 154, 162, 186, 188, 189, 190, 191, 192, 210, 216, 220, 255, 256, 257, 270, 313, 314, 315, 316, 317, 375, 376, 379, 393, 460, 496, 500, 540, 610, 688, 692; HR 11, 46, 63, 81, 112

Sunday Closing
Alcoholic beverage sales, HB 349
Exceptions, SB 6; HB 91
Local option, HB 6
Prohibited activity, HB 297
Repeal, HB 177, 225

Swinford, John
Introduced: HB 13, 65, 80, 81, 82, 93, 127, 184, 185, 187, 211, 221, 272, 298, 299, 309, 348, 442, 460, 485, 498, 522, 543, 634, 640; HR 21, 48, 61, 63, 109, 115, 117

Taxation
Ad valorem tax study, HR 84
Broadcast equipment, definition for ad valorem taxes, HB 145
Cigarette tax increment, HB 302, 358, 466, 584
Distilled spirits taxes, increase in, HB 333
Electric boards, city, tax equivalent payments, HB 659
Gasoline, untaxpaid, purchase of, HB 721
Income tax: omnibus act, HB 317, 340; credit study, HR 35; civil service retirement deduction, HB 219; higher education expense deduction, HB 2; credits for aged persons, HB 20; military retirement deduction, HB 39, 441; federal income tax definition, HB 40; variable credits, HB 43; servicemen's combat pay exemption, HB 75; commuting expense deduction, HB 231; child adoption credit, HB 403
Inheritance tax: return filing exemption, HB 143; insurance policy proceeds exemption, SB 34; securities of nonresident decedent, HB 609; partnership property exclusion, SB 252; exemption to spouse or child, HB 232, 310
Legal processes and documents, HB 315
Malt beverage tax, HB 685
Motion picture showings tax, city or county levy of, HB 728
Motor carrier excises, HB 234
Newspaper excise tax, HB 562
Occupational license tax: exemption repeal, HB 154; cities, 2nd-4th, in counties with 1st, authorizing, HB 456; inter-county income, taxation of, HB 556
Omnibus structure study, HR 28
Pari-mutuel tax, HB 491
Production credit associations, capital stock tax, HB 22
Property tax: homestead exemption, HB 147; valuation increment notice, certified mailing of, HB 245; delinquency collection costs, HB 479; net assessment growth, definition of, HB 498; agricultural land value amendment, implementation of, SB 259; HB 442; compensating rate, levy of by school districts, SB 231, 386; HB 451, by cities and counties, HB 452; capital improvements, exemption for, HB 617
Real estate transfers, exemption for cities and counties, HB 11
Room tax, use of, HB 137

Taxation—continued
Sales and use tax: motor vehicles, exemptions, HB 1; prescription medicine, exemption of, SB 4; HB 4; bookstores, university, liability for, HB 583; motor vehicle price definition, HB 72; milk, bread and prescriptions exemption, HB 14; motor vehicle use tax levy limit, HB 24
School tax, local option, number chosen, HB 697
Severance tax, HB 301
Soft drink excise, HB 648

Teachers
Certification, HB 665
Education Personnel Qualification, Interstate Compact on, HB 74
Free lunch period, HB 69
Jury duty: salary during, HB 569; exemption from, HB 446
Non-public, certification, HB 365
Para-professionals and aides, SB 228, HB 369
Personal leave, HB 61
Professional negotiations, HB 215, 462
Rank IV, foundation program schedule for, HB 704
Reemployment denial, reason for, HB 59
Retirement: age and date for, HB 52; survivors' benefits, HB 150; trustees, voting by retirees for, SB 168
Sabbatical and other leave, HB 60, 292
Salary: differentiation, HB 363; increment, SB 215; HB 450, 702; schedule revision, HB 733
Sick leave, HB 142
Social security coverage, HB 224
Strike rejection, commendation for, HR 58
Supervision of pupils, responsibility for, SB 194

Television and Radio
Broadcast equipment, definition for ad valorem taxes, HB 145
Educational television, functions and authority of, HB 262
Legal notices, broadcast of, SB 179
Police radio authorization, SB 290; HB 570

Theobold, Herb
Elected Chief Door Keeper, p. 6

Time
Daylight time period, shortening of, HR 26
Referendum on, HB 585
Uniform Time Act exemption, HB 16
Zone limit redefinition, HR 63

Tobacco
Allotments, urging retention of, HR 21, 31
Industry preservation methods, HR 16
Price supports, urging continuation of, HR 10
Research board, creation of, HB 466

Tobin, Mrs. H. W. (Marjorie)
Introduced: HB 1, 2, 3, 4, 13, 16, 17, 85, 86, 170, 252, 253, 442, 623; HR 28, 63, 72, 117

Tourism
Commissions, promotion services by, HB 327

Trade Practices and Retailing
Deceptive practices, HB 189, 437, 737
Franchisors, registration by, HB 574
Gasoline station: location, HB 278; dispensation of fuel at, HB 724; octane labeling, SB 86
Price marking requirements, HB 630
Prizes as enticements, prohibition of, HB 663
Referral selling, HB 662
Shoplifting suspects, detention of, HB 499
Sunday closing: repeal, HB 177, 225; prohibited activity, HB 297
Unsolicited goods, refusal of, HB 192, 439
Weights and measures: devices, licensure requirements, SB 197; standards and enforcement, HB 521

Traffic Safety
Accidents, reporting of, HB 105, 681
Brake light requirement, SB 44
Emergency vehicles, equipment required, SB 156
Highway beacon, request for, HR 93
Highway edges, safety lines on, HB 422
Implied consent: HB 389; warning concerning, SB 184
Motor vehicle accident reports, SB 42
Officer's signal, heed of, SB 45
Reflectorized license plates, HB 309
School bus: discharge, crossing highway following, HB 223; turning areas, HB 444
Slow-moving vehicle emblem, HB 201
Speed limits near schools, SB 80

Transportation
Legislative study committee, HR 65
Motor carrier household goods certificates, SB 212
Taxicabs at airports, prohibition of exclusive franchise, HB 476

Unemployment Compensation
Benefits: during work stoppage, HB 46; wage computation for, HB 335
Commission, chairman of, HB 345
Definitions concerning, HB 334
Disqualification, HB 547
Wages, exclusions in definition of, HB 580

Uniform Laws
Consumer Credit Code study, SR 13
Detainers, Agreement on, HB 629
Limited Partnership Act, repeal and revision, SB 172
Paternity, extension of, HB 286
Recognition of Acknowledgements, adoption of, SB 286

United States
Camp Ground Reservoir, urging construction of, HR 43
Falmouth Reservoir Project, study of, HR 48
Fishtrap Reservoir area road construction, HR 134
Flag, display on motor vehicles, HB 623
Green and Barren Rivers navigation facilities, cession of, SR 36
Hardin County floodwall, request for, HR 19
Horticultural project, request for, HR 105
Magoffin County school construction funds, HR 135
Man, Dr. Pang Ling, residence requirement for, HR 121
Martin's Fork Reservoir, funds for, HR 49
Tobacco: price supports, urging continuation of, HR 10; allotments, urging retention of, HR 21, 31
Time: Uniform Time Act exemption, HB 16; zone limit redefinition, HR 63; daylight savings period, shortening of, HR 26

Universities and Colleges
Bookstores, sales tax liability, HB 583
Centre College commendation, HR 29
Community colleges: advisory board membership, SB 305; tuition, HR 119
Covington Community College, location and name of, SB 21; HB 25
Firearms on campus, SB 140
Kentucky State College basketball: commending, HR 115, invitation by General Assembly, HR 123
Kentucky, University of: basketball: television, SR 14; commending and congratulating, HR 64, 117; Kunstler, Wm., rescission of invitation to, HR 136; Trustees, number of, HB 575
Louisville, University of: state status study, HR 55; dialysis kidney center appropriation, HR 253; basketball, recognition of, HR 96; state status grant, SB 117
Medical school curriculum, HB 393
Northern Ky. State College regents, SB 357; HB 26
Student records, confidential nature of SB 147
Thomas More College, commending, HR 50, 88
Trustees and Regents, faculty and student member voting authority, HB 535

Van Horn, David L.
Introduced: HB 1, 2, 3, 4, 13, 17, 32, 48, 52, 73, 74, 92, 128, 147, 159, 219, 247, 273, 275, 282, 286, 287, 291, 293, 403, 404, 405, 495, 570, 577, 623, 637, 639, 713, 718, 738; HR 30, 64, 86, 104, 114, 117, 136

Veterans Affairs
Cemetery system, national, expansion of, HR 15
Merit system, state, preference for dependents, HB 111
Motor vehicle license plates, free receipt of, HB 161
National Guard service: state employment credit for, HB 465; definition of, HB 534

Veterinarians
Carnivorous pets, vaccination of, SB 267
Dog licenses, date for, HB 510

Voting
Absent ballot: stubs, SB 66; notary's fee, SB 146; application and registration, SB 275
Ballot listing, order of, HB 263
Candidate vacancies, filling of, HB 160
Reforms, Governor's message on, p. 2713

Wages and Hours
Minimum wage, HB 163
Prevailing wage, SB 28

Waste Disposal
Incinerators, effect of on licensure, HB 382
Solids: injunctions of violations, HB 384; disposal sites, permits for, HB 399; sites, requirement of, HB 568

Water Pollution
Boat sanitation facilities, HB 500
Lexington and Fayette County pollution, HR 104
State commission membership, SB 276; HB 370
Waste discharge into streams, HB 701

Waterways and Dams
Bridges, flood control modification, HB 449
Camp Ground Reservoir, urging construction of, HR 43
Falmouth Reservoir Project, study of, HR 48
Green and Barren Rivers navigation facilities, cession by U. S. of, SR 36
Hardin County floodwall, request for, HR 19
Levee districts, cooperation by counties for, HB 19
Martin's Fork Reservoir, funds for, HR 49
Ohio River property, transfer of, HR 66
Trade Water River conservation, HR 82
Watershed district discontinuance, HB 157
Wild rivers system, SB 269

Waterworks
Associations, eminent domain by, HB 299
Districts, appointment of counsel by, HB 123

Watts, Lawrence
Elected Cloakroom Keeper, p. 6

Weights and Measures
Devices, repair or installation, licensure requirements, SB 197
Inspections and administration, HB 711
Standards and enforcement, regulations on, HB 521

Welfare
Clients, public agency information sharing, HB 544
Medical assistance: falsification of statements concerning, HB 336; optometric services under, SB 70
Outpatient health facilities fund, HB 618
Public assistance: nursing care allowance for aged, HB 247; grants, reduction of, HB 266; eligibility and amount, income determination, HB 48; recipients, employment and eligibility, HB 429; Social Security benefit increment, effect of, HB 496; application in person, authorizing, HB 558
Reforms, Governor's message on, p. 2710

Wells, Dwight
Introduced: HB 13, 28, 66, 147, 150, 261, 309, 444, 450, 451, 452, 501, 562, 623; HR 42, 47, 58, 63, 84, 114, 117

Wenz, Austin
Introduced: HB 1, 2, 3, 4, 13, 34, 46, 146, 147, 152, 177, 181, 195, 277, 281, 451, 452, 577; HR 5, 24, 28, 48, 61, 63, 86, 99, 114, 117

West, Howard
Introduced: HB 1, 17, 34, 48, 66, 215, 260, 261, 334, 335, 336, 338, 339, 340, 343, 344, 345, 373, 374, 375, 376, 377, 378, 379, 380, 381, 396, 429, 459, 495, 496, 548, 584, 585, 623; HR 46, 115, 117

Wheeler, Charles D.
Introduced: HB 17, 137, 188, 189, 190, 191, 192, 210, 219, 227, 257, 259, 288, 291, 293, 331, 376, 379, 393, 443, 584, 623, 641, 669, 685, 713, 714, 724, 733; HR 46, 99, 117

White, Glenn
Introduced: HB 13, 15, 16, 34, 50, 125, 147, 150, 361, 467, 577, 590, 623, 731, 732, 741; HR 11, 24, 97, 99, 114

White, John E.
Introduced: HB 16, 71, 77, 78, 79, 201, 204, 288, 309, 373, 374, 375, 376, 377, 378, 379, 380, 381, 436, 438, 496, 595, 672, 685; HR 11, 46, 63

Wible, Charles S.
Introduced: HB 1, 2, 3, 4, 13, 64, 67, 68, 172, 193, 194, 297, 308, 354, 430, 445, 455, 511, 512, 522, 535, 536, 577, 611, 612, 613, 614, 615, 616, 617, 618, 623, 710; HR 28, 36, 63, 71, 72, 114, 117

Wills and Estates
Body parts, bequest of, SB 7
Descent and distribution exemptions, HB 458
Divorce as cause for revocation, HB 221
Fiduciaries, HB 482; investments by, HB 542

Wills and Estates—continued
Inheritance tax: return filing exemption, HB 143; insurance policy proceeds exemption, SB 34; partnership property exclusion, SB 252; securities of nonresident decedent, HB 609
Letters of administration, HB 328, 666
Personal representatives: nonresidents as, HB 183; payment of claims by, HB 511
Power of appointment, exercise of, HB 675
Property disposal without descendants, HB 714
Real estate, certificate for transfer of, HB 181
Relinquishment of interest, HB 483
Securities of nonresident decedent, transfer of, HB 609

Witnesses
Compensation in felony cases, HB 513
Fees authorized, HB 77

Women
Alcoholic beverages at bars, HB 304
Discrimination based on sex, HB 624
Kentucky Federation of Women's Clubs, commending, HR 22
League of Women Voters, commending, HR 37
State commission, creation of, SB 23

Workmen's Compensation
Black Lung, HB 12
Board decisions, filing with court of, SB 211
Chiropractic treatment, HB 527
Claims, time limit for, HB 505
Death and disability benefits, increasing, HB 298
Disability: compensation to dependents, HB 68; definition of, HB 350
Employer: definition for self-insurance, SB 182; redefinition of, HB 359
Functional disability or disfigurement, HB 560
Laws, study of, SR 52
Loss of body parts, HB 561
Medical expense: selection of physicians, HB 67; employer's share, SB 38; HB 80
Payments in lump sum, HB 272
Radiation disease claims, HB 726
Special Fund: Claims, employer liability under, SB 91; expenditures, HB 706

Wright, Dexter S.
Introduced: HB 17, 21, 31, 34, 55, 72, 137, 145, 154, 162, 209, 216, 220, 252, 253, 340, 363, 364, 365, 366, 394, 396, 443, 456, 496, 503, 517, 542, 623, 669; HR 32, 36, 39, 41, 46, 99, 114

Wyatt, Wilson W., Jr.
Introduced: HB 1, 2, 3, 4, 6, 13, 29, 43, 95, 127, 128, 137, 147, 154, 158, 162, 163, 198, 205, 209, 216, 219, 294, 296, 303, 327, 329, 346, 366, 388, 391, 502, 522, 535, 555, 565, 577, 610, 611, 612, 613, 614, 615, 616, 617, 618, 623, 633, 645, 653, 669, 673, 693, 697; HR 7, 24, 28, 45, 55, 72, 91

Yocom, James Raymond
Introduced: HB 1, 2, 3, 4, 13, 20, 21, 23, 49, 64, 67, 68, 69, 75, 76, 77, 84, 85, 86, 88, 91, 100, 110, 113, 117, 119, 137, 146, 147, 154, 162, 163, 169, 172, 173, 177, 180, 186, 193, 194, 195, 196, 197, 205, 206, 209, 214, 216, 219, 220, 227, 275, 280, 292, 293, 296, 303, 304, 330, 355, 356, 372, 425, 431, 456, 476, 477, 502, 503, 527, 572, 573, 577, 578, 580, 595, 610, 611, 612, 613, 614, 615, 616, 617, 618, 623, 624, 645, 651, 652, 697; HR 6, 12, 28, 45, 60, 63, 69, 111

Legislative Day	Calendar Day	Page No.
First	Tuesday, January 6, 1970	1
Second	Wednesday, January 7, 1970	63
Third	Thursday, January 8, 1970	80
Fourth	Friday, January 9, 1970	85
Sixth	Monday, January 12, 1970	92
Seventh	Tuesday, January 13, 1970	96
Eighth	Wednesday, January 14, 1970	102
Ninth	Thursday, January 15, 1970	115
Tenth	Friday, January 16, 1970	120
Twelfth	Tuesday, January 20, 1970	126
Thirteenth	Wednesday, January 21, 1970	149
Fourteenth	Thursday, January 22, 1970	173
Fifteenth	Friday, January 23, 1970	188
Seventeenth	Monday, January 26, 1970	213
Eighteenth	Tuesday, January 27, 1970	223
Nineteenth	Wednesday, January 28, 1970	239
Twentieth	Thursday, January 29, 1970	281
Twenty-second	Monday, February 2, 1970	313
Twenty-third	Tuesday, February 3, 1970	321
Twenty-fourth	Wednesday, February 4, 1970	479
Twenty-fifth	Thursday, February 5, 1970	499
Twenty-sixth	Friday, February 6, 1970	517
Twenty-eighth	Monday, February 9, 1970	575
Twenty-ninth	Tuesday, February 10, 1970	599
Thirtieth	Wednesday, February 11, 1970	679
Thirty-third	Monday, February 16, 1970	753
Thirty-fourth	Tuesday, February 17, 1970	765
Thirty-fifth	Wednesday, February 18, 1970	817
Thirty-sixth	Thursday, February 19, 1970	878
Thirty-seventh	Friday, February 20, 1970	917
Thirty-ninth	Tuesday, February 24, 1970	1009
Fortieth	Wednesday, February 25, 1970	1042
Forty-first	Thursday, February 26, 1970	1115
Forty-second	Friday, February 27, 1970	1170
Forty-fourth	Monday, March 2, 1970	1274
Forty-fifth	Tuesday, March 3, 1970	1310
Forty-sixth	Wednesday, March 4, 1970	1407
Forty-seventh	Thursday, March 5, 1970	1520
Forty-eighth	Friday, March 6, 1970	1600
Fiftieth	Monday, March 9, 1970	1761
Fifty-first	Tuesday, March 10, 1970	1858
Fifty-second	Wednesday, March 11, 1970	2404
Fifty-third	Thursday, March 12, 1970	2720
Fifty-fourth	Friday, March 13, 1970	2835
Fifty-sixth	Monday, March 16, 1970	2897
Fifty-seventh	Tuesday, March 17,1970	2946
Fifty-eighth	Wednesday, March 18, 1970	3159
Fifty-ninth	Thursday, March 19, 1970	3264
Sixtieth	Friday, March 20, 1970	3307